

ANGUS COUNCIL

EDUCATION COMMITTEE

22 AUGUST 2000

SUBJECT: SCHOOL CONVEYANCE CONTRACTS - REVIEW OF CONTRACT PRICES

REPORT BY DIRECTOR OF EDUCATION AND DIRECTOR OF PLANNING AND TRANSPORT

Abstract: This report recommends a contract price increase of 3.3% for eligible contracts, effective from 1 July 2000.

1 RECOMMENDATION

It is recommended that the Committee:-

- (i) approve the award of a 3.3% contract price increase for eligible contracts effective from 1 July 2000.

2 INTRODUCTION

- 2.1 School conveyance contract prices are reviewed on an annual basis. This review is undertaken either on 1 July each year or on the day immediately after the end of the academic session whichever is the later.
- 2.2 Members will recall that school conveyance contracts in the Forfar/Kirriemuir areas and to Special Educational Establishments in Dundee have been retendered for the 2000/2001 academic session. These contracts are not subject to this inflationary price increase.

3 CALCULATION OF CONTRACT PRICE INCREASE

- 3.1 The formula for calculating the contract price increase is based on the indexed price movements details in Tables 18.2 and 18.11 of The Central Statistical Office's Monthly Digest of Statistics. The weightings used are as follows:-

Table	Weighting	Factor
18.2	General Index of Retail Prices - Motoring Expenditure	40%
18.11	Average Earnings Index - Transport and Communications	60%

- 3.2 The actual calculation of the annual percentage increase is based on yearly comparisons of monthly figures, with the individual monthly comparisons averaged to produce the annual percentage increase.

4 REVIEW OF EXISTING CONTRACTS

- 4.1 In addition to the contracts subject to retendering for the 2000/2001 academic session all other contracts were subject to review. As a result of revised scholar's requirements a number of contracts were able to be revised or combined and seven contracts were cancelled. These cancellations have resulted in savings of £36,500 for the remainder of this financial year and will result in savings of £48,400 in a full financial year.

5 FINANCIAL IMPLICATIONS

- 5.1 Using the approved formula, the annual increase in contract prices effective from 1 July 2000 is 3.3%. This will apply to all school conveyance contracts of more than 17 months duration entered into prior to 1 January 2000, which are continuing to operate in the 2000/2001 academic year. Taking into account this inflationary price increase, the increase in expenditure for those contracts subject to inflationary increases is estimated to be £24,700 in the current financial year and £33,800 in a full year.
- 5.2 Taking into account the inflationary price increases together with the budget savings identified the estimated expenditure for home to school transport for the 2000/2001 financial year will be £1,424,000 which compares with a budget provision of £1,440,000.

6 CONSULTATION

- 6.1 The Chief Executive, Director of Law and Administration and the Director of Finance have been consulted in the preparation of this report.

7 CONCLUSION

- 7.1 This report details the percentage annual increase due on school conveyance contracts and the resulting budgetary implications.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

AA/LEM/KW
1 August 2000

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