
RETAIL PRICE INDEX

1 SUMMARY

- 1.1 Members to consider the report of the Head of Revenue and Housing Management on the credibility of using the Retail Price Index (RPI) as an indicator when reviewing requests for taxi tariff changes.

2 INTRODUCTION

- 2.1 In 2002 when reviewing the taxi tariff for 2002/03 Members agreed to take into consideration the RPI for transport costs. This was a published sub-analysis of the general RPI which is often described in terms of a shopping basket containing some 650 goods and services chosen as indicators of price movements for a range of similar items. However, the transport costs sub-index contained very much fewer items like, petrol costs, insurance, bus, air and rail fares etc. associated with travel and transport.

- 2.2 Because of its limited application the Office of National Statistics no longer maintains this sub-index and data is now confined to the six principal indices:-

RPI - general retail prices index

RPIX - excludes mortgage interest payments

RPIY - excludes mortgage interest rates and indirect taxes

QPI - quarterly pensioner indices weighted for the typical spending of one and two-pensioner households

TaPI - Tax and Price Index which measures how much the average person's gross income needs to change to purchase the RPI basket (allowing for tax and national insurance)

CPI - this is the Government's inflation target figure (previously known as the Harmonised Index of Consumer Prices).

3 FUTURE EVALUATION

- 3.1 When considering requests for changes to the taxi tariff (traditionally in June or July for operation in the Autumn) Members will need to rely on other factors to guide them to the reasonableness of the request. This might include percentage increases within each tariff range (not always directly comparable), comparisons with other neighbouring authorities' charges and other factors submitted by drivers in support of their request.

4 RECOMMENDATION

- 4.1 It is proposed that the Sub-Committee **RECOMMENDS** that:-
- 4.2 the RPI no longer be considered as an influencing factor when considering requests for tariff changes.

Steve Clarkson

Head of Revenue and Housing Management

Background Papers:

Information from Office of National Statistics

For further information please contact Steve Clarkson on:-

Tel:- 01702 318055
E-Mail:- steve.clarkson@rochford.gov.uk