

Strathclyde Concessionary Travel Scheme Joint Committee



Monitoring and performance for 2017/18 year-end and 2018/19 Q1 and Q2.

Date of meeting 9 November 2018

Date of report 25 October 2018

Report by Treasurer/Secretary

1. Object of report

The object of this report is to provide an update to the Committee on the monitoring and performance of the Strathclyde Concessionary Travel Scheme ('the Scheme') for financial year-end 2017/18 and for financial quarters 1 and 2 of 2018/19.

2. Background

- 2.1 In light of the Committee's decision at their meeting held in February 2017¹, SPT officers introduced an increase to the basic concessionary fare by 10p on all modes. The change was introduced in April 2017 on Subway and ferry and in May 2017 on rail². Changes were implemented in conjunction with participating operators.
- 2.2 Following Committee's decision at their meeting in February 2018³, SPT officers introduced an increase to the basic concessionary return fare by 10p on all modes. The change was introduced in April 2018 on Subway and ferry and in May 2018 on rail. Changes were implemented in conjunction with participating operators.
- 2.3 Members will be aware that in late 2017, the Scottish Government undertook a consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices. In August 2018, it was announced that the age of entitlement for concessionary travel in Scotland would remain at 60 but would be extended to companions of eligible disabled children under five. The Scottish Government has also said it will continue to consider options to provide free bus travel for Modern Apprentices⁴.
- 2.4 A history of Scheme changes to-date can be found in Appendix 1.
- 2.5 A history of Scheme patronage and reimbursement is presented in Appendix 2.
- 2.6 The monitoring and performance results are presented in the tables below.

¹ http://www.spt.co.uk/documents/latest/ctjc240217_minute.pdf

² To coincide with ScotRail timetable changes.

³ http://www.spt.co.uk/documents/latest/ctjc230218_minute.pdf

⁴ <https://beta.gov.scot/news/extending-the-concessionary-travel-scheme>

3. 2017/18 Monitoring and Performance

- 3.1 Tables 1 and 2 below highlight the performance results and reimbursement costs for the Scheme in financial year 2017/18 and in financial year 2016/17 as a comparison.
- 3.2 Members are reminded that Q2 in 2016/17 included the 6-week suspension of Subway services which was needed in order to carry out planned essential engineering works. This is reflected in Subway patronage and reimbursement increases highlighted in 2017/18 results.

Table 1: Concessionary Patronage for 2016/17 and 2017/18.

Patronage	2016/17	2017/18
	Millions	Millions
<i>Rail</i>	3.43	3.51
<i>Subway</i>	0.72	0.85
<i>Ferry</i>	0.68	0.65
Totals	4.83	5.01

- 3.3 Table 1 shows concessionary patronage levels on rail increased by 80,000 (2%) in 2017/18 compared with 2016/17 levels.
- 3.4 Subway patronage increased by 130,000 (18%) compared with 2016/17 levels.
- 3.5 There was a decrease of 30,000 (4%) in ferry patronage during 2017/18 compared with 2016/17 levels.
- 3.6 Patronage during 2017/18 increased overall by 180,000 (4%) on the previous financial year.

Table 2: Concessionary Reimbursement for 2016/17 and 2017/18.

Reimbursement	2016/17	2017/18
	£Millions	£Millions
Rail	2.68	2.76
Subway	0.24	0.27
Ferry	0.94	0.93
Totals	3.86	3.96

- 3.7 Table 2 shows an £80,000 (3%) increase in reimbursement costs for concessionary rail travel in 2017/18 compared with 2016/17.
- 3.8 Subway during 2017/18 recorded an increase in reimbursement costs of £30,000 (13%) compared with 2016/17.
- 3.9 Reimbursement costs on ferry decreased by £10,000 (1%) compared with 2016/17.

3.10 Across all modes during 2017/18, there was an overall increase in reimbursement cost of £100,000 (3%) compared with the previous year's total.

4. 2018/19 Quarter 1 and Quarter 2 Monitoring and Performance⁵

4.1 Tables 3 and 4 below highlight the performance results and reimbursement costs for the Scheme during the first two quarters of 2018/19⁶.

Table 3: 2018/19 concessionary patronage for quarter 1 and quarter 2.

Patronage				
	Quarter 1 – 2018/19		Quarter 2 – 2018/19	
	Patronage ('000s)	Change vs. 2017/18	Patronage ('000s)	Change vs. 2016/17
Rail	827	1%	815	-1%
Subway	211	3%	231	11%
Ferry	173	3%	179	3%
Total	1,212	1%	1,225	1%

4.2 Table 3 shows that in 2018/19, concessionary patronage increased overall by 1% in each of the first two quarters.

4.3 Patronage increases were observed in the main across all modes in both quarters. Only on rail during Q2 was there an observed a decrease in concessionary journeys of 1%.

4.4 Whilst table 3 highlights a significant increase in Subway patronage during Q2, members are reminded that this was the period during which the 2018 European Championships were held in Glasgow with George Square serving as a Games festival venue. Subway observed a significant uplift in journeys during the games period and this appears to be reflected also in an increased number of concessionary journeys.

4.5 The total patronage recorded across all modes during both quarters increased by approximately 30,000.

⁵ At time of writing, some operator claims had still to be received or calculated. Patronage Information and Reimbursements subject still subject to approval and may change.

⁶ (Q1 April-June, Q2 July-September)

Table 4: 2018/19 concessionary reimbursement for quarter 1 and quarter 2.

Reimbursement				
	Quarter 1 – 2018/19		Quarter 2 – 2018/19	
	Reimbursement (£'000s)	Change vs. 2017/18	Reimbursement (£'000s)	Change vs. 2017/18
Rail	642	-2%	637	-2%
Subway	66	10%	72	8%
Ferry	245	3%	253	3%
Total	953	0%	962	0%

- 4.6 Table 4 highlights a reduction in rail reimbursement of 2% in each of the first two quarters of 2018/19.
- 4.7 Subway saw 10% and 8% increases in reimbursement costs in Q1 and Q2 respectively.
- 4.8 Ferry saw an increase of 3% in reimbursement in each of the first two quarters of 2018/19.

5. Conclusions

- 5.1 Monitoring of the Scheme during 2017/18 has highlighted an overall patronage increase of 180,000 compared with levels observed during 2016/17.
- 5.2 The 6-week suspension period on Subway, as outlined earlier, has contributed to the significant patronage increases recorded during 2017/18.
- 5.3 Patronage results for 2017/18 highlights that demand for concessionary travel remained strong, and for the first time, in excess of 5million concessionary journeys were recorded.
- 5.4 Monitoring of the Scheme during the first two quarters of 2018/19 has highlighted a slight increase in patronage of 1% in both quarters. This equates to an additional 30,000 journeys made across both quarters.
- 5.5 Reimbursement costs during the first two quarters of 2018/19 have remained at the previous year's levels.
- 5.6 Members are asked to note that the Scheme fare increases applied in both 2017 and again in 2018 have helped manage Scheme costs.
- 5.7 Members are reminded that Road Equivalent Tariff (RET) fares on CalMac routes increased in March this year and were the first fare increases in 3 years. Members are also reminded of annual fare increases on rail, with peak fares set to increase by 3.2% and off-peak fares by 2.2% in January 2019. Such increases to operators' standard fares most likely results in increased reimbursement costs to the Scheme. Taking these into account, officers must continue to consider ways in which the costs to the Scheme can be managed within budget projections.

5.8 Members are asked to note the announcement by Scottish Government to keep the age eligibility for concessionary travel in Scotland at 60.

6. Consequences

Policy consequences	<i>The Scheme will continue to meet the RTS objective "Access for All"</i>
Legal consequences	<i>The Scheme will continue to meet the RTS objective "Access for All"</i>
Financial consequences	<i>None at present. Efficient monitoring of the Scheme will help ensure that this remains the case in future.</i>
Personnel consequences	<i>None at present</i>
Equalities consequences	<i>None at present</i>
Risk consequences	<i>None at present</i>

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Strathclyde Concessionary Travel Scheme Joint Committee

For further information, please contact Martin Breen (Planning & Projects Officer) on 0141 333 3741

Appendix 1: History of Scheme Changes

2010-11

- Increased the basic concessionary fare on rail and Subway by a maximum of 20p.
- Re-introduced a basic concessionary fare on ferry services included within SCTS.
- Introduced a price differential between single and return basic concessionary fare i.e. single 60p and return £1.00.

2012-13

- Updated operator reimbursement calculations.
- Introduced an evening-peak restriction on rail travel [between 16.30 and 18.00 hrs].
- Basic concessionary fare maintained at 80p single and £1.20 return.

2014-15

Basic concessionary fare maintained at 90p single and £1.30 return.

2016-17

Basic concessionary fare maintained at 90p single and £1.30 return.

2018-19

Basic concessionary return fare increased to £1.50. No change to single fare.

2011-12

- Increased the basic concessionary fare from 60p single and £1.00 return to 80p single and £1.20 return.
- Re-introduced a 10 mile basic concessionary boundary for ferry services.
- Re-introduced a cap on concessionary ferry fares for services to designated rural areas beyond 10 miles at 2 x basic concession.

2013-14

Basic concessionary fare increased to 90p single and £1.30 return.

2015-16

Basic concessionary fare maintained at 90p single and £1.30 return.

2017-18

Basic concessionary fare increased to £1.00 single and £1.40 return.

Appendix 2: Scheme Patronage and Reimbursement History (previous 7 years).

Patronage (millions)							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Rail	3.37	3.21	3.21	3.37	3.36	3.43	3.51
Ferry	0.64	0.64	0.64	0.67	0.65	0.68	0.85
Subway	0.71	0.70	0.77	0.83	0.81	0.72	0.65
Totals	4.72	4.55	4.62	4.87	4.82	4.82	5.01

Reimbursement (£millions)							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Rail	2.66	2.44	2.46	2.57	2.60	2.69	2.76
Ferry	1.10	1.04	1.02	1.05	0.93	0.95	0.27
Subway	0.22	0.23	0.25	0.27	0.27	0.24	0.93
Totals	3.98	3.71	3.73	3.89	3.80	3.88	3.96