

Strathclyde Concessionary Travel Scheme Joint Committee Minute



Minute of Strathclyde Concessionary Travel Scheme Joint Committee

18 March 2016

held in 131 St Vincent Street, Glasgow

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Minute of the Strathclyde Concessionary Travel Scheme Joint Committee held in 131 St Vincent Street , Glasgow on 18 March 2016

Present Councillors John Bruce, (Chair), Jackie Hendry, Nan McFarlane, Bobby McDill, Robert MacIntyre and David Wilson.

Attending Valerie Davidson, Treasurer/Secretary; Kirsten Clubb, Committee Support Officer; and Martin Breen, Planning and Projects Officer.

1. Apologies

Apologies were submitted from Councillors Tony Buchanan, Jonathan Findlay, Stuart Gallacher (substitute), Kaye Harmon, Eileen Logan and Alan Moir.

2 Declaration of interest in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000

The Joint Committee noted that there were no declarations of interest.

3. Minute of previous meeting

The minute of the meeting of 6 November 2015 was submitted and approved as a correct record.

4. Update on 2015/2016 scheme costs and proposed revenue budget for financial year 2016/2017

There was submitted a report (issued) of 24 February 2016 by the Treasurer/Secretary

- (1) reminding members of the various changes which had been made to the Strathclyde Concessionary Travel Scheme to ensure the long term financial sustainability of the Scheme,
- (2) drawing members' attention to the following key points which had arisen from the monitoring of the first 3 quarters of 2015/2016:-
 - concession patronage had increased by 5% in Q1 but decreased by 4% in Q2 and Q3 compared with the equivalent periods in 2014/2015 which reflected a cumulative deduction of 1% compared to the respective quarters in 2014/2015;
 - demand for concessionary rail travel had increased by 7% in Q1 but decreased by 5% and 2% in Q2 and Q3 respectively compared with the same period in 2014/2015;
 - demand for concessionary ferry journeys in Q1, Q2 and Q3 in total had decreased by 2% during 2015/2016 in comparison to 2014/2015;
 - concession journeys on Subway in Q1 and Q2 had remained in line with patronage totals for the respective quarters in 2014/2015. However patronage numbers decreased by 3% in Q3 compared to 2014/2015;

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- concession reimbursement had increased by 1% in Q1 and decreased by 6% and 4% in Q2 and Q3 compared with the same quarters in 2014/2015; and
 - overall, concession reimbursement total costs during 2015/2016 Q1, Q2 and Q3 had decreased by £99,000 compared with the same period in 2014/2015 which was an overall decrease in reimbursement costs of 3%;
- (3) enclosing as appendices to the report
- (a) the revenue monitoring report as at Period 11, ending 30 January 2016;
- (b) a proposed revenue budget for 2016/2017 of £4.329m funded by £4.258 of Local Authority requisition (no increase on 2015/2016) and a £0.071 draw on reserves, which reflected:-
- forecast patronage in line with scheme trends; and
 - revised operator reimbursement levels, net of forecast fares increases based on 2015/2016 actuals but also taken into account RET savings, the Subway suspension in summer 2016 and the impact of the Queen Street tunnel improvement project;
- (4) explaining that the revenue forecast outturn was anticipated to be £4.332m, which equated to an underspend of £0.150m which related to a reduction in the amounts being reimbursed to Operators and savings generated through the introduction of the Road Equivalent Tariff (RET);
- (5) advising members
- (a) that as at 31 March 2015, the residual local scheme held reserves of £1.640m; and
- (b) that based on the forecast outturn at Period 11 there would still be a draw on reserves of £0.074m in 2015/16 (less than originally budgeted) which was in accordance with the programme of reserves reduction; and
- (6) recommending that the Joint Committee
- (a) note the forecasted outturn for 2015/2016; and
- (b) approve the proposed budget of £4.329m for the financial year 2016/2017.

After discussion particularly relating to the on-going assessment of concessionary travel criteria and having heard Mrs Davidson in further explanation and in answer to members' questions, the Joint Committee approved the recommendations at (6) above.

5. Request for 5-journey tickets to be sold on Largs – Cumbrae ferry Route

There was submitted and noted a report (issued) of 23 February 2016 by the Treasurer/Secretary

- (1) updating members on the purchase of concession tickets on Strathclyde Concessionary Travel Scheme (SCTS) ferry routes, following a request by the Cumbrae Ferry Users Group for the introduction of 5-journey tickets on the Largs - Cumbrae ferry route;

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- (2) outlining the potential opportunities for National Entitlement Card (NEC) misuse and the revenue protection procedures put in place to prevent this; and
- (3) intimating that although SPT officers would continue to seek, promote and secure smartcard ticketing solutions for the SCTS and improvements to ticket inspection procedures that ensured robust revenue protection, until those were delivered, the existing ticketing arrangements as specified in the SCTS guidance should remain in place.

6. SCTS Morning-peak travel on rail services

With reference to the minute of the Joint Committee of 7 November 2014 (page 3, paragraph 10) when the committee had noted

- (1) revised Strathclyde Concessionary Travel Scheme Guidance and Notes for Operators effective from 1 January 2015 which
 - provided guidance and information relating to the Strathclyde Concessionary Travel Scheme (SCTS) for transport operators and eligible users who used the SCTS for rail, subway and ferry travel; and
 - covered a number of key areas relating to the SCTS including the administration of the Scheme, eligibility, extent of the Scheme area, information relating to travel (including rural zone travel), cardholder terms of use, operator responsibilities and reimbursement to operators; and
- (2) that although the scheme guidance refresh retained the same underlying principles of the Scheme and did not change any of the scheme rules, they would continue to be reviewed and amended as necessary,

there was submitted a report (issued) of 26 February 2016 by the Assistant Chief Executive (Business Support)

- (1) reminding members
 - (a) that Guidance published in 2005, had previously considered morning-peak to mean between the hours of 0600hrs and 0900hrs; and
 - (b) that the refreshed 2014 guidance, in order to be consistent with standard rail travel definitions, defined morning peak as any time before 0915hrs, or earlier on some routes, such as the Strathclyde local rail services where the morning-peak ended at 0900hrs;
- (2) that SPT officers had since received requests to reconsider the application of the morning-peak travel restriction on rail services, which as they stood now precluded concessionary rail travel across the Strathclyde on services departing before 0900hrs;
- (3) informing members
 - (a) that following a review by SPT officers of the current arrangements concerning morning-peak travel restrictions it had been established that there was a limited number of train services, 21 in total, which operated before 0600hrs on weekdays across the Strathclyde rail network;

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- (b) that SPT officers considered the number of concessionary rail trips actually being made before 0600hrs on weekdays to be extremely low; and
 - (c) that as a result, it was considered that the cost implications to the Scheme of re-introducing concessionary rail travel up until 0559hrs would be negligible and would not impact on overall Scheme costs;
- (4) explaining
- (a) that peak travel restrictions existed in order to help relieve pressure on busy and crowded routes which operated during peak times; and
 - (b) that although the rail operator had advised that there were no current capacity issues on Strathclyde services before 6am this would be subject to periodic review; and
- (5) recommending in light of the above
- (a) that morning peak-time travel be defined as between 0600hrs and 0859hrs, inclusive; and
 - (b) that officers continue to monitor the impacts of the change in terms of adverse cost impacts to the Scheme or capacity issues.

After discussion and having heard Mrs Davidson in further explanation and in answer to members' questions, the Joint Committee approved the recommendations at (5) above.

7. External Audit – Audit Strategy, plan and interim report for the year ending 31 March 2016

There was submitted and noted KPMG's Audit Strategy, Plan and Interim Report for the year ending 31 March 2016 which summarised KPMG proposals regarding the Audit Strategy & Planning for the financial year ending 31 March 2016.