

Strathclyde Concessionary Travel Scheme Joint Committee



Performance and reimbursement update on 2020/21 year-end and on 2021/22 quarter 1

Date of meeting 17 September 2021

Date of report 1 September 2021

Report by Treasurer

1. Object of report

To update the Committee of the Strathclyde Concessionary Travel Scheme's performance and reimbursement results for 2020/21 financial year-end and for 2021/22 quarter 1 (April-June).

2. Background

The Committee requires that regular updates be reported to show the latest performance and reimbursement costs of the Scheme. These updates form part of a continuing process to ensure that the Scheme provides good value to its users and helps safeguard the Scheme's sustainability going forward.

These updates have informed decisions taken by the Committee to implement necessary changes to the Scheme over the years, for example, most recently the decision by the Committee to introduce a new half fare structure with fare cap in financial year 2022/23¹, following the recommendations of an independent in-depth review of the Scheme carried out during financial year 2021/22 in response to on-going financial pressures and the risk to the sustainability of the Scheme.

Covid-19 Impacts

Members are reminded that an interim £0.50 fare increase agreed by the Committee on 6 March 2020² was subsequently not introduced as planned during financial year 2020/21 in response to the on-going public health emergency, caused by the Covid-19 virus. This decision was taken to help ensure that those who had to make essential journeys, for example healthcare workers, people travelling for medical reasons or to care for vulnerable person(s) could continue to do so without additional financial burden.

Members are also reminded of the significant impacts that Covid-19 have had on transport since March 2020 with patronage down by up to 95% on some public transport services. Since then, a variety of restrictions have been introduced by UK and Scottish governments, including a second lockdown between January and April 2021. As a result of this, public transport patronage, including concessionary travel demand, has, and continues to

^{1,2} https://www.spt.co.uk/media/vdmpsn5g/scts060320_agenda6.pdf

experience, significant patronage reductions and this is reflected in figures presented in this paper.

Changes that have been made to the Scheme are summarised in Appendix 1. A history of Scheme patronage and reimbursement is presented in Appendix 2.

3. 2020/21 Performance and Reimbursement Year End

Performance results and reimbursement costs for the financial year-end 2020/21, compared with 2019/20, are presented in Tables 1 and 2 below.

Table 1: Concessionary travel patronage for 2019/20 and 2020/21.

Patronage	2019/20	2020/21
	Millions	Millions
Rail	3.53	0.57
Ferry	0.67	0.24
Subway	0.90	0.20
Totals	5.09	1.01

Table 2: Concessionary travel reimbursement for 2019/20 and 2020/21.

Reimbursement	2019/20	2020/21
	£Millions	£Millions
Rail	2.97	0.53
Ferry	1.03	0.40
Subway	0.33	0.07
Totals	4.33	1.00

3.1 Table 1 shows concessionary travel demand fell significantly in financial year 2020/21 across all modes with just over 1 million journeys undertaken and with an overall reduction in patronage of just over 4 million compared with financial year 2019/20.

3.2 Table 2 shows Scheme reimbursement decreased by £3.33 million in 2020/21 compared with 2019/20.

4. 2021/22 Quarter 1 Performance and Reimbursement

Table 3: Concessionary travel patronage for quarter 1 2021/22.

Patronage		
Mode	Patronage (millions)	Change vs. 2020/21
Rail	0.29	+789%
Ferry	0.12	+385%
Subway	0.08	+315%
Totals	0.48	+537%

Table 4: Concessionary travel reimbursement for quarter 1 2021/22.

Reimbursement		
Mode	Reimbursement (£millions)	Change vs. 2020/21
Rail	0.26	+510%
Ferry	0.20	+371%
Subway	0.03	+321%
Totals	0.48	+432%

4.1 Table 3 shows that 480,000 concessionary journeys were made during quarter 1 of 2021/22. This was an increase of nearly 410,000 additional concessionary journeys made during the first quarter and represented a 537% increase in patronage across all modes.

4.2 Table 4 shows total reimbursement paid to participating operators for the first quarter of 2021/22 was £480,000. This was an increase in payment to operators of £390,000 compared with quarter 1 in 2020/21.

5. Conclusion

5.1 Results for financial year-end show clearly the impacts that Covid-19 had on travel demand during 2020/21, with only one-fifth of concessionary journeys made compared with the previous financial year 2019/20.

5.2 Correspondingly, Scheme costs decreased significantly in financial year 2020/21, with an overall reduction of £3.33 million in reimbursement payments being made to operators compared to the previous financial year 2019/20.

5.3 Results for the first quarter of financial year 2021/22 show a marked growth in concessionary demand across all modes. Whilst this would indicate a recovery in travel demand overall, members are asked to note that quarter one demand remains at around 40% of typical patronage levels for the period April to June. This reduced demand corresponds similarly with reported concessionary travel demand on bus reported by Transport Scotland³.

5.4 Members are reminded that on 9 August 2021, during the second quarter of the current financial year, Scotland moved beyond level 0 of Covid-19 restrictions. Therefore, it can be expected there will be increasing demand for concessionary travel, although to what extent and over what period is unknown. An update on performance will be given at the next meeting of the Committee.

5.5 Members are asked to note that following decisions made by a number of participating operators to defer planned standard fare increases, these have since subsequently been introduced from March 2021 on rail and ferry services. These increases, along with the reported quarter 1 demand increase, will result in increased Scheme re-imbursement payments.

5.6 Whilst Covid has resulted in savings to the re-imbursement costs associated with the Scheme, these savings are only temporary and there is an expectation that a combination of a return to greater public transport use and the on-going demographic changes resulting in

³ Latest figures at time of writing: <https://www.transport.gov.scot/publication/covid-19-transport-trend-data-12-18-july-2021/>

more over-60s, will continue to place future financial pressure on the scheme. However, the extent to which pre-covid concessionary demand levels will return remains as yet unknown.

6. Committee action

The Committee is asked to note the contents of this paper and in particular, the continued impact of Covid-19 on concessionary travel demand and on operator reimbursement costs.

7. Consequences

Policy consequences	<i>The Scheme will continue to meet the RTS Objective "Access for All".</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>None at present.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>None at present.</i>
Risk consequences	<i>None at present.</i>

Name Neil Wylie

Title Treasurer

Strathclyde Concessionary Travel Scheme Joint Committee

For further information, please contact Martin Breen, Senior Transport Planner (email: martin.breen@spt.co.uk)

Appendix 1: History of Scheme Changes

	2011-12
	<ul style="list-style-type: none"> 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 concession fare 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.
2012-13	2013-14
<ul style="list-style-type: none"> Updated operator reimbursement calculations. Introduced an evening-peak restriction on rail travel [between 16:30 and 18:30 hrs.] Basic concessionary fare maintained at 80p single and £1.20 return. 	<ul style="list-style-type: none"> Basic concessionary fare increased to 90p single and £1.30 return.
2014-15	2015-16
<ul style="list-style-type: none"> Basic concessionary fare maintained at 90p single and £1.30 return. 	<ul style="list-style-type: none"> Basic concessionary fare maintained at 90p single and £1.30 return.
2016-17	2017-18
<ul style="list-style-type: none"> Basic concessionary fare maintained at 90p single and £1.30 return. 	<ul style="list-style-type: none"> Basic concessionary fare increased to £1.00 single and £1.40 return.
2018-19	2019-20
<ul style="list-style-type: none"> Basic concessionary return fare increased to £1.50. No change to single fare. 	<ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return.
2020-21	2021-22
<ul style="list-style-type: none"> Approval by Joint Committee to increase the basic single and return fares by 50p. (Update: cancelled due to the impacts of the ongoing Covid-19 pandemic). 	<ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return.

Appendix 2: Scheme Patronage and Reimbursement History (5 years).

Patronage (millions)					
	2016/17	2017/18	2018/19	2019/20	2020/21
Rail	3.43	3.52	3.52	3.52	0.57
Ferry	0.68	0.65	0.67	0.67	0.24
Subway	0.72	0.84	0.91	0.90	0.20
Totals	4.82	5.01	5.10	5.09	1.01

Reimbursement (£millions)					
	2016/17	2017/18	2018/19	2019/20	2020/21
Rail	2.75	2.76	2.82	2.97	0.53
Ferry	0.95	0.93	1.00	1.03	0.40
Subway	0.24	0.27	0.30	0.32	0.07
Totals	3.94	3.96	4.12	4.32	1.00