



Performance and Reimbursement Update: 2024/2025 Quarters 1-3

Date of meeting 14 March 2025

Date of report 24 February 2025

Report by Treasurer

1. Object of report

To update the Committee on the Strathclyde Concessionary Travel Scheme's performance and reimbursement results for Quarters 1-3 (April-December 2024) of 2024/2025 and update on preparations ahead of introducing the new concessionary fare structure from April 2025.

2. Background to report

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 financial sustainability going forward. These updates also inform decisions taken by the Committee to implement any necessary changes to the Scheme, for example on fares, operator reimbursement formula, or changes to peak-time travel restrictions.

Prior to the Covid pandemic with the trend highlighting increasing concessionary travel demand and rising reimbursement costs, it was estimated that funding reserves were likely to be exhausted within 1-2 years without intervention. Consequently, the recommendations of an in-depth review, carried out to ensure the Scheme's affordability and sustainability can be maintained moving forward, was approved by the Committee on 12 March 2021. The impact of these approved recommendations, once introduced, will see the current basic concessionary fares replaced by a new "half-fare with cap" structure. This new structure will also reduce the level of operator reimbursement and ease pressure on reserves, which was considered essential in sustaining the Scheme financially in the longer-term.

However, the residual impact of the Covid pandemic, as well as the cost-of-living crisis meant that travel demand remained below pre-pandemic levels. This included concessionary travel, which resulted in the Scheme's funding reserves position changing due to reduced travel demand and corresponding reductions in reimbursement paid to operators. Members are reminded that, given the reserves balance towards the end of 2023/2024, it was agreed at the previous meeting of the Committee on 15 March 2024¹ that the Scheme defer any introduction of the agreed half fares structure until April 2025.

However, as reported to the last meeting of the Committee², in addition to the latest figures shown in this report, concessionary travel continues to demonstrate a strong recovery, with demand now in line with pre-covid levels. Taken alongside operator fares, which have risen substantially since the Covid period, the risk to the sustainability of the scheme without intervention remains.

¹ https://www.spt.co.uk/media/iaxiycb1/sctsjc150324_agenda7.pdf

² https://spt.production.d8.studio/media/txdnoe5z/sctsjc200924_agenda7.pdf

For information, a timeline of changes that have been made to the Scheme is presented in Appendix 1. A history of Scheme patronage and reimbursement is presented in Appendix 2.

3. 2024/2025 Performance and Reimbursement Quarter 1 to Quarter 3

Tables 1 and 2 below show performance results and reimbursement costs for Quarters 1- 3 in financial year 2024/2025 compared with the same quarters in 2023/2024.

Table 1: Concessionary Patronage for 2024/2025 Quarter 1 to Quarter 3

Patronage (millions)		
Mode	2024/2025 Q1-Q3	Change vs. 2023/2024 Q1-Q3
Rail	3.28	+26 %
Ferry	0.46	+10%
Subway	0.77	+6%
TOTAL	4.51	+20%

Table 2: Concessionary Reimbursement for 2024/2025 Quarter 1 to Quarter 3

Reimbursement (£millions)		
Mode	2024/2025 Q1-Q3	Change vs. 2023/2024 Q1-Q3
Rail	2.74	+30%
Ferry	0.88	+12%
Subway	0.31	+17%
TOTAL	3.93	+24%

3.1 Table 1 shows that demand for concessionary travel during the first three quarters of 2024/2025 has increased across modes, with an overall patronage increase of 20% when compared with the respective quarters in 2023/2024.

3.2 Table 1 also highlights a large increase in concessionary travel demand on rail in the first 3 quarters of 2024/2025 compared with the respective quarters in 2023/2024. However, this can in part be attributed to ScotRail's removal of peak rail fares pilot which ran between 2 October 2023 and 27 September 2024 and resulted in off-peak fares becoming valid all day. Members will recall from the last update³ that ScotRail suggested that the pilot had a notable impact on concessionary patronage, showing average growth of around 27% in concessionary journeys made.

3.3 Ferry patronage has also increased sharply in the first three quarters of 2024/2025. While ferry demand was quickest to recover post covid, due to the lifeline nature of eligible ferry services, demand, up until now, appeared to have plateaued at just above 70% of pre-covid levels, however, as Table 1 now shows, there has been a 10% increase in the first three quarters of this financial year.

3.4 Table 2 shows that Scheme reimbursement increased by 24% during the first three quarters of 2024/2025 compared with the respective quarters in 2023/2024. Reflecting the patronage levels shown in Table 1, reimbursement levels increased most significantly on rail and Subway.

³ https://spt.production.d8.studio/media/txdnoe5z/sctsjc200924_agenda7.pdf

4 Changes to Participating Operator Fares

- 4.1 Members are further advised that increases to participating operators' standard fares results in increased operator reimbursement payments, thereby placing additional pressures on Scheme budgets and reserves.
- 4.2 Whilst basic concession fares have been held at current levels since 2019, participating operator fares have risen. Table 3 below outlines 2025 operator fare increases.

Table 3: 2025 Fare Increases

Mode	Fares
Rail	ScotRail fares are due to increase by 3.8% from 1 April 2025.
Ferry	CalMac fares are due to increase by 10% from 28 March 2025.
Subway	Subway Fares increased by an average of 3% from January 2025.

- 4.3 In addition, and as reported at the last meeting of the Committee, an examination of ScotRail and CalMac fares would indicate considerable fare increases have taken place since pre-pandemic. Taking account of the fare increases presented in table 3 above, it is noted that since 2019 fares have increased by:
- over 25% on ScotRail services; and
 - between 25%-30% on CalMac ferry services

5 Introduction of New Concessionary Fares

- 5.1 At the last meeting of the Committee⁴, members will recall that approval was granted for new the concessionary fare structure to be implemented from April 2025. The implementation will be in line with proposals previously approved in March 2021⁵.
- 5.2 The changes will see a new fare structure introduced, and as a result, an increase in the majority of concessionary fare is unavoidable. A fare cap will be applied to all ferry and rural rail services to minimise the impact of increases on these rural lifeline routes where journeys often involve longer distances and higher fares in order to access essential services and facilities. Members will be recall that the new fare introduction has been considered by the Committee each year since 2021 but it is now evident that a further deferral is no longer financially viable.
- 5.3 In recognition of the impacts of the new fare changes on cardholders and participating transport operators, SPT is in process of preparing a communication plan to advise of these changes in advance of implementation. Elected members in all affected councils have since been informed of these changes, as have operators. In addition, we have written to the Cabinet Secretary for Transport to advise of these imminent changes to the Strathclyde Concessionary Travel Scheme fares.
- 5.4 Public information for cardholders will be made available via SPT's website, social media channels as well as posters at appropriate locations within the Scheme area. Similarly, we are working, with operators to ensure consistent information is displayed on their own specific media channels.
- 5.5 We have extended an invitation to work with all operators to ensure the effective messaging to concessionary customers of these planned changes.

⁴ https://spt.production.d8.studio/media/okjdm3wc/sctsjc200924_agenda6.pdf

⁵ https://www.spt.co.uk/media/xdflr2mw/sctsjc120321_agenda5.pdf

6 Conclusions

- 6.1 Figures presented in this report covering the first three quarters of the current financial year 2024/2025 show that demand for concessionary travel has continued to increase sharply with a resultant corresponding increase in reimbursement also. With this, alongside participating operator the fare increases, Scheme funding pressures remain ahead of the pending new SCTS fares.
- 6.2 Based on current trends, it is estimated that the Scheme can expect in the region of 5.7 million concession journeys to have been made come the financial year end 2024/2025. This would be a substantial increase to the 5.08 million journeys in the last full financial year 2023/2024. The estimated corresponding reimbursement comparing the two financial years would increase to around £5.1 million, up from £4.08 million in 2023/2024.
- 6.3 SPT will continue to engage with participating transport operators and will update media channels to raise awareness of the pending fare changes. Post introduction of the new fares, officers will closely monitor impacts on travel demand and operator reimbursement levels, including engaging operators to assess fare the impacts.

7 Committee Action

The Committee is recommended to:

- note the contents of this report and in particular, the large increase in concessionary travel demand during the first three quarters of this financial year 2024/2025; and
- note the planning approach ahead of the pending new fare structure.

5. Consequences

Policy consequences	<i>The Scheme will continue to meet the RTS Objective “To improve accessibility, affordability, availability and safety of the transport system, ensuring everyone can get to town centres, jobs, education, healthcare and other everyday needs” and its Priority “Improved quality of life”</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>Figures presented in this report present a financial risk to the future viability of the Scheme in its present form.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>None at present.</i>
Risk consequences	<i>None at present.</i>
Climate Change, Adaptation & Carbon consequences	<i>None at present.</i>

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Strathclyde Concessionary Travel Scheme Joint Committee

For further information, please contact Martin Breen, Senior Transport Planner at martin.breen@spt.co.uk.

APPENDIX 1: History of Scheme Changes

	<p>2015-16</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at 90p single and £1.30 return.
<p>2016-17</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at 90p single and £1.30 return. 	<p>2017-18</p> <ul style="list-style-type: none"> Basic concessionary fare increased to £1.00 single and £1.40 return.
<p>2018-19</p> <ul style="list-style-type: none"> Basic concessionary return fare increased to £1.50. No change to single fare. 	<p>2019-20</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return.
<p>2020-21</p> <ul style="list-style-type: none"> Approval by Joint Committee to increase the basic single and return fares by 50p. <i>(Joint Committee decision not to introduce this increase in response to the Covid-19 pandemic).</i> 	<p>2021-22</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return. <i>(Joint Committee agreed the Review recommendations not to introduce the new fares structure during 2021-22 due to the on-going Covid-19 pandemic).</i>
<p>2022-23</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return. <i>(Joint Committee agreed to delay introducing the new fares structure in response the latest financial position).</i> 	<p>2023-24</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return. <i>(Joint Committee agreed to delay introducing the new fares structure in response the latest financial position).</i>
<p>2024-25</p> <ul style="list-style-type: none"> Basic concessionary fare maintained at £1.00 single and £1.50 return. <i>(Joint Committee agreed to delay introducing the new fares structure in response the latest financial position).</i> 	

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

Patronage (millions)					
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Rail	3.52	0.57	1.81	2.32	3.54
Ferry	0.67	0.24	0.50	0.56	0.57
Subway	0.90	0.20	0.51	0.73	0.97
Totals	5.09	1.01	2.82	3.61	5.08

Reimbursement (£millions)					
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Rail	2.97	0.53	1.61	2.10	2.67
Ferry	1.03	0.40	0.86	1.03	1.06
Subway	0.32	0.07	0.19	0.27	0.35
Totals	4.32	1.00	2.66	3.40	4.08