

Monitoring and performance costs for 2016/17 and 2017/18 Q1 and Q2.

Date of meeting 6 October 2017

Date of report 26 September 2017

Report by Treasurer/Secretary

1. Object of report

To provide an update to the Committee on the performance and monitoring costs of the Strathclyde Concessionary Travel Scheme ('the Scheme') for 2016/17 financial year and for financial quarters 1 and 2 of 2017/18.

2. Background

2.1 In light of the Committee's decision at their meeting in February 2017, SPT officers have now introduced an increase to the basic concessionary fare by 10p on all modes. The changes have being implemented in conjunction with participating operators.

2.2 The latest performance and monitoring results for 2016/17 financial year-end are presented in Tables 1 and 2 below. Tables 3 and 4 show the performance and monitoring costs for financial quarters 1 and 2 of 2017/18.

2.3 A timeline summary of Scheme changes to date can be found in Appendix 1.

2.4 Details of Scheme patronage and reimbursement history are presented in Appendix 2.

3. 2016/17 Performance and Monitoring

3.1 Tables 1 and 2 below show performance and reimbursement costs for the Scheme for financial year 2016/17 and for 2015/16 as a comparison.

3.2 Members are reminded that Q2 in 2016/17 included the 6-week suspension of Subway services in order to carry out planned engineering works. This is reflected in Subway patronage and reimbursement decreases in 2016/17.

Table 1: Concessionary Travel Patronage for 2015/16 and 2016/17

Patronage	2015/16	2016/17
	millions	millions
Rail	3.36	3.43
Subway	0.81	0.72
Ferry	0.65	0.68
Totals	4.82	4.82

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- 3.3 Table 1 shows that concession patronage levels on rail in 2016/17 increased by 70,000 (2%) compared with 2015/16 patronage.
- 3.4 Table 1 shows however that concession patronage on Subway in 2016/17 fell by 90,000 (11%) compared with the previous year.
- 3.5 There was a 5% increase in patronage on ferry in 2016/17, equating to an increase of 30,000 journeys compared with 2015/16.
- 3.6 Overall patronage totals in 2016/17 remained in line with those of 2015/16 at 4.82 million.

Table 2: Concessionary Travel Reimbursement for 2015/16 and 2016/17

Reimbursement	2015/16	2016/17
	£millions	£millions
Rail	2.60	2.68
Subway	0.27	0.24
Ferry	0.93	0.94
Totals	3.80	3.86

- 3.7 Table 2 shows there was an £80,000 increase in Scheme reimbursement towards concessionary rail travel in 2016/17, which equated to a 3% increase compared with 2015/16 reimbursement.
- 3.8 Subway in 2016/17 saw a reduction in Scheme reimbursement of £30,000 which equated to an 11% reduction compared with 2015/16.
- 3.9 For ferry services in 2016/17, Scheme reimbursement increased by £10,000 or 1% compared with 2015/16.
- 3.10 Table 2 shows in 2016/17 overall, there was a £60,000 increase in Scheme reimbursement which equated to a 2% rise compared with 2015/16 reimbursement.

4. 2017/18 Quarter 1 and Quarter 2* Performance and Monitoring

*At the time of writing, Q2 patronage figures for rail and ferry had not been received from operators, therefore 2016/17 Q2 patronage figures have been used in order to estimate the impact of concessionary fare increases introduced in April 2017.

- 4.1 Tables 3 and 4 below show performance and reimbursement costs for the Scheme during the first two quarters of 2017/18 (Q1 Apr-Jun, Q2* Jul-Sep).
- 4.2 Members are reminded that Q2 in 2016/17 included the 6-week suspension of Subway services in order to carry out planned engineering works. This is reflected in Subway patronage and reimbursement increases seen for Q2 in 2017/18.

Table 3: Concessionary travel patronage for Q1 and Q2*, 2017/18.

Patronage				
	Quarter 1 – 2017/18		Quarter 2* – 2017/18	
	Patronage ('000s)	Change vs. 2016/17	Patronage ('000s)	Change vs. 2016/17
Rail*	821	+6%	759	0%
Subway	197	+5%	188	+65%
Ferry*	177	+2%	177	0%
Total	1,195	+5%	1,124	+7%

- 4.3 Table 3 shows that in 2017/18, concession patronage overall increased by 5% in Q1 and by 7% in Q2*.
- 4.4 There were patronage increases across all modes in Q1 of 6%, 5% and 2% on rail, Subway and ferry respectively.
- 4.5 Whilst table 3 shows a 6% increase in rail patronage for Q1, members are also reminded that during 2016/17 Q1, engineering works also took place which affected rail services into Queen Street Station high level and therefore patronage increases in 2017/18 were to be expected.
- 4.6 Table 3 shows a notable 65% increase in concession patronage on Subway during Q2 of 2017/18 due to the suspension of Subway services seen during Q2 in 2016/17.
- 4.7 Patronage totals for rail and ferry for Q2 remain unchanged for those reasons outlined earlier.
- 4.8 Concession patronage totals for 2017/18 Q1 and Q2* combined, show an overall increase of 6%; this is an increase of approximately 130,000 concession journeys. Members are reminded that the increases are the likely the result of disruptions on both rail and Subway during the first two quarters of 2016/17.

Table 4: Concessionary travel reimbursement for Q1 and Q2 2017/18.

Reimbursement				
	Quarter 1 – 2017/18		Quarter 2 – 2017/18	
	Reimbursement (£'000s)	Change vs. 2016/17	Reimbursement (£'000s)	Change vs. 2016/17
Rail*	640	+4%	585	-3%
Subway	59	-8%	56	+45%
Ferry*	241	0%	240	-1%
Total	940	+2%	880	-1%

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- 4.9 Table 4 shows that in 2017/18, concession reimbursement costs increased by 2% in Q1 but decreased by 1% in Q2.
- 4.10 There was a decrease in Subway reimbursement in Q1 however, a significant increase in Q2 of 45%.
- 4.11 Reimbursement levels on ferry for the first two quarters of 2017/18 remained in line with the equivalent quarters of 2016/17.
- 4.12 Overall concession reimbursement for 2016/17 Q1 and Q2 increased by only 1% which equated to an increase of £15,000.

5. Conclusions

- 5.1 Monitoring of the Scheme during 2016/17 has shown no notable change in overall patronage totals from those in 2015/16. However, reimbursement costs have increased by slightly by 2%.
- 5.2 Engineering works on rail and Subway, as outlined earlier, have impacted upon patronage and reimbursement totals for 2016/17. Concession customers who used the Subway replacement bus services travelled free courtesy of the free national bus Scheme. No STCS reimbursement was claimed by SPT Subway for concession journeys made during this period and is reflected in the Q2 2017/18 increases observed.
- 5.3 Overall patronage for 2016/17 shows demand for concessionary travel remained strong with 4.82 million journeys being made although figures are likely to have been higher but for the engineering works on rail and Subway outlined above.
- 5.4 Monitoring of the Scheme during the first two quarters of 2017/18 show an increase of 6% in patronage and of 1% in reimbursement costs. However, as outlined previously, engineering works which took place on both rail and Subway during 2016/17 is reflected in the 2017/18 increases when services were once again operating as normal.
- 5.5 Overall patronage figures for the first two quarters of 2017/18 shows demand for concessionary travel is increasing.
- 5.6 Members are asked to note that RET has now been fully introduced on all eligible ferry routes within the SCTS area since October 2015. Whilst in previous years, the phased roll-out of RET has helped manage SCTS reimbursement to ferry operators; future reimbursement costs are now likely to increase as standard ferry fares increase.
- 5.7 Members are also asked to note that the SCTS fare increase applied in in the first quarter of 2017 has helped manage Scheme costs , however, any future increases to standard fares on rail, Subway or ferry may result in increased reimbursement costs to the Scheme. Officers will continue to consider ways in which the costs to the Scheme can be managed within budget projections.

6. Consequences

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

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Personnel consequences: None at present.
Equalities consequences: None at present.
Risk consequences: None at present.

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

Appendix 1

7-year summary of Strathclyde Concessionary Travel Scheme changes.

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 ten miles at 2 x the basic concession
2012/13
Updated operator reimbursement calculations.
Introduced an evening-peak restriction on rail travel between 16.30 and 18.00hrs.
Basic concessionary fare maintained at 80p single and £1.20 return.
2013/14
Basic concessionary fare increased to 90p single and £1.30 return.
2014/15
Basic concessionary fare maintained at 90p single and £1.30 return.
2015/16
Basic concessionary fare maintained at 90p single and £1.30 return.
2016/17
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.

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Appendix 2

Strathclyde Concessionary Travel Scheme Patronage and Reimbursement History

Patronage (millions)									
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Rail	3.19	3.26	3.32	3.37	3.21	3.21	3.37	3.36	3.43
Ferry	0.69	0.71	0.68	0.64	0.64	0.64	0.67	0.65	0.68
Subway	0.80	0.82	0.77	0.71	0.70	0.77	0.83	0.81	0.72
Totals	4.68	4.79	4.77	4.72	4.55	4.62	4.87	4.82	4.82

Reimbursement (£millions)									
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Rail	2.48	2.74	2.52	2.66	2.44	2.46	2.57	2.60	2.69
Ferry	1.41	1.54	1.20	1.10	1.04	1.02	1.05	0.93	0.95
Subway	0.36	0.41	0.31	0.22	0.23	0.25	0.27	0.27	0.24
Totals	4.25	4.69	4.03	3.98	3.71	3.73	3.89	3.80	3.88