

joining up
journeys

SPT

committee minute

Minute of Strathclyde Concessionary Travel Scheme Joint Committee

27 January 2012

held in Consort House, Glasgow

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Minute of the meeting of the Strathclyde Concessionary Travel Scheme Joint Committee held in Glasgow on 27 January 2012

Present Councillors Kaye Harmon (Chair), Eddie Phillips (Vice-Chair), Jonathan Findlay, Ellen Hurcome, Jim McElhill, Duncan MacIntyre, Alan Moir and John Reid.

Attending Valerie Davidson, Treasurer/Secretary and Martin Breen, Transport Planner.

1. Apologies

Apologies were submitted from Councillors John Campbell, Eileen Logan, Nan McFarlane, Ian McKenzie and Alan Noon.

2. Declaration of interest

The committee noted that there were no declarations of interest.

3. Minute of previous meeting

The minute of the meeting of 24 June 2011 (issued) was submitted and approved as a correct record.

4. Strathclyde Concessionary Travel scheme: Update on 2011/2012 changes and monitoring of performance and costs

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With reference to the minute of 10 December 2010 (page 1, paragraph 3) when the Joint Committee had approved, *inter alia*, changes to the Strathclyde Concessionary Travel Scheme (SCTS), there was submitted a report (issued) of 11 January 2012 by the Treasurer/Secretary,

- (1) providing detail on the monitoring and impact of the scheme changes which had been introduced for 2011/2012;
- (2) advising members
 - (a) that whilst the impact of the 2011/2012 changes had gone some way to addressing the cost of the Scheme, the Joint Committee had also agreed at its meeting in December 2010 that further changes were necessary in order to ensure the long-term financial sustainability of the Scheme; and
 - (b) that, it was important for the Joint Committee to continue to consider ways in which the cost of the Scheme could be further reduced in line with budget projections, local authority contributions and the modest reserves available;
- (3) recommending that the Joint Committee approve the following further changes to the SCTS for 2012/2013:-

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- (a) to amend the rail trip elasticity value for calculating operator reimbursement from -0.5 to -0.6 which would result in a decrease in the percentage of the standard fare paid as reimbursement per journey to the rail operator as shown in appendix 1 of the report;
 - (b) to amend the ferry trip generation factor for calculating operator reimbursement from 0.4 (ordinary) and 0.2 (seniors) to 0.5 for both which would result in a decrease in the percentage of the standard fare per journey reimbursed to ferry operators as shown in appendix 2 of the report;
 - (c) to amend the Subway trip elasticity value for calculating operator reimbursement from -0.5 to -0.6 which would result in a decrease in the percentage of the standard fare paid as reimbursement per journey to the Subway operator as shown in appendix 3 of the report; and
 - (d) to introduce an evening peak restriction with effect from 20 May 2012 for concessionary rail travel Monday to Friday between 16.30 and 18.00 (inclusive) which was consistent with others across the ScotRail Network but would not apply to journeys being made for hospital appointments or for those people living in rural areas who held a valid ferry card;
- (4) explaining
- (a) that the proposed changes at (a) – (c) were predicted to reduce average concessionary reimbursement per trip on all modes within the range recommended by the committee (10% - 20%); and
 - (b) that estimates set out in appendix 4 of the report illustrated a potential annual saving on ScotRail reimbursement level in a range of between 5-10% which was in addition to the proposed reduction in reimbursement per trip for rail; and
- (5) concluding that the recommendations proposed at (3) above would ensure that the Scheme continued to deliver benefits for the travelling public whilst remaining affordable to the public purse and users.

After considerable discussion and having heard Mrs Davidson in further explanation, the Joint Committee approved the recommendations at (3) above.

5. Proposed revenue budget for financial year 2012/2013

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There was submitted a report (issued) of 13 January 2012 by the Treasurer/Secretary

- (1) providing detail on the implementation of recommendations for the entire Strathclyde Concessionary Travel Scheme (SCTS) following its recent review;
- (2) reminding members that the committee had approved a revenue budget for 2011/2012 of £4.383m, funded by £3.483m requisition and a £0.9m draw on reserves which represented an increase in funding authority requisitions as part of a three year programme to reduce the draw on reserves to a manageable level;

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- (3) enclosing as an appendix to the report, a proposed revenue budget for 2012/2013 of £4.470m which reflected:-
 - forecast increased patronage in line with scheme trends;
 - a reduction in the administrative cost of the scheme; and
 - revised and reduced operator reimbursement levels;
- (4) informing members
 - (a) that following ongoing discussions with operators on the level and sustainability of operator reimbursement throughout the year, proposals to reduce reimbursement to a sustainable level in the short to medium term had been submitted to each operator; and
 - (b) that implementation of these proposals in 2012/2013 would be necessary to ensure that the scheme remained affordable to funding authorities; and
- (6) recommending that the Joint Committee approve
 - (a) a proposed budget of £4.470m for financial year 2012/13; and
 - (b) the utilisation of £0.6m of reserves in line with the three year agreement with funding authorities.

After discussion, the Joint Committee approved the recommendations at (5) above.

6. Revenue monitoring report as at 10 December 2011

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There was submitted and noted a report (issued) of 13 January 2012 by the Treasurer/Secretary

- (1) reminding members that the committee had approved a revenue budget for 2011/2012 of £4.383m;
- (2) appending the revenue monitoring report for the period to 10 December 2011 (period 9);
- (3) informing members that, based on the information available to date, an underspend of £0.02m was forecast at this stage; and
- (4) advising members that all budget lines would continue to be closely monitored. to ensure that the underspend was achieved.

After consideration, the Joint Committee noted the terms of the report.

7. Internal Audit Report

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There was submitted a report (issued) of 12 January 2012 by the Treasurer/Secretary

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- (1) appending a summary report and action plan from a recently completed internal audit review of the control procedures for reimbursements to ferry operators under the concessionary travel scheme; and
- (2) explaining that the remedial actions recommended in the report, together with implementation dates, had been agreed with the relevant departmental managers; and
- (3) concluding that, although the results of the audit work had shown that there was a continuing improvement in the control framework for the reimbursement process, there were some areas where scope for improvement existed and that these had been addressed by the audit recommendations.

After discussion, the Joint Committee noted that Internal Audit would undertake a follow up review to confirm the implementation of the recommendations detailed in the report and report back to the SPT's Audit and Standards Committee within six months and then subsequently to the Joint Committee.

8. Status report on performance of Travel Card Unit

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There was submitted and noted a report (issued) of 12 January 2012 by the Treasurer,

- (1) providing details on the performance of SPT's Travel Card Unit (TCU);
- (2) intimating that the digital contact centre system and digital call recording facility introduced in late 2010 continued to function well, facilitating training and customer issue resolution;
- (3) informing members
 - (a) that previous issues over report production for cardholders approaching their card expiry date now appeared to be completely resolved; and
 - (b) that the TCU had successfully produced these reports for the past 12 months and continued to process approximately 2,500 renewal letters for disabled cardholders each calendar month;
- (4) enclosing as appendices to the report various charts which highlighted the number of incoming calls and calls answered by the unit between 2008 – 2012.
- (5) explaining
 - (a) that following an analysis of the call statistics over the past 12 months, the majority of callers had utilised the "any other" menu option which provided no data on the category of the calling cardholder i.e. elderly or disabled; and
 - (b) that in order to address this issue, a review of the call options would be undertaken in early 2012; and
- (6) advising members

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- (a) that current call volumes were 13.8% higher than the same period last year and were only 13% lower than the peak year of 2009/2010 which equated to a 45% increase in call volume compared with the levels prior to the Novacraft call centre closure; and
- (b) that this increase in call volumes had been handled by the TCU team throughout 2011/2012 despite a 5% reduction in the staff establishment.

9. Request for Young Person Concession Travel on Ferry

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There was submitted a report (issued) of 12 January 2012 by the Treasurer/Secretary

- (1) informing members of the Young Person Concession Scheme which was administered and funded by Transport Scotland and targeted at the 16 – 18 age grouping provided 1/3 off bus fares, up to 50% off rail fares and 2 free ferry journeys to island residents;
- (2) advising members
 - (a) that correspondence had been received seeking the Joint Committee's support to an amendment to the ferry element of the scheme to make it of value to young people living on Arran and other Scottish islands to assist with travel to further education and attendance at sporting events on the mainland; and
 - (b) that the proposed amendment requested that in lieu of the two free ferry journeys the concession should be 1/3 off the cost of the adult fare which would make the concession consistent with that available to young people on the mainland;
- (3) explaining that although the scheme was administered by Transport Scotland, the Joint Committee had welcomed previously the introduction of the scheme, recognising it had a valuable contribution in promoting public transport use amongst young people as well as supporting the aim of ensuring access to education and employment; and
- (4) requesting that the Joint Committee consider whether the proposed amendment should be supported.

After discussion, the Joint Committee agreed that the Chair should write to Transport Scotland highlighting the Joint Committee's support to the proposal and requesting that consideration be given to a review of ferry travel for young people on all Scottish islands.

10. Road Equivalent Tariff – Pilot extension

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There was submitted and noted a report (issued) of 16 January 2012 by the Treasurer/Secretary

- (1) informing members
 - (a) that the Road Equivalent Tariff (RET) was a theoretical means of setting ferry fares based on the cost of travelling an equivalent distance by road; and

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- (b) that the intention behind RET was that it reduced the economic disadvantage suffered by remote island communities, and therefore enabled them to make a bigger contribution to the economy of Scotland;
- (2) intimating
- (a) that from Spring 2012, the Scottish Government proposed to make permanent the existing pilot scheme on services to the Western Isles. A new RET pilot scheme would start in October 2012 for services to/from Colonsay, Islay, Jura and Gigha – which, although not within the SPT area, were within the Strathclyde Concessionary Travel Scheme area;
 - (b) that in October 2014, a further pilot scheme would be introduced for Arran services, and within the lifetime of the Parliament, the pilot scheme would be extended to cover Cumbrae and Bute on the Clyde as well as Iona, Lismore, and Mull; and
 - (c) that, thereafter, the Scottish Government would consider the roll out of RET to local authority, commercial and mainland to mainland routes following the outcome of the Ferries Review;
- (3) explaining
- (a) that the extended roll out of RET on ferry routes was likely to result in a saving to the Scheme due to lower reimbursements being paid to ferry operators as a result of a lower standard passenger fare on ferry routes; and
 - (b) that, whilst this was likely to result in lower revenues being generated by ferry operators, the short fall incurred would have to be met by RET scheme compensation to ferry operators and funded by Scottish Government; and
- (4) concluding that SPT would continue to participate in the process and report the impacts of RET roll out in the Scheme area to a future meeting of the Joint Committee.