

*joining up
journeys*

SPT

committee minute

Minute of Strathclyde Concessionary Travel Scheme Joint Committee

10 December 2010

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 10 December 2010

Present	Councillors Robert Burrows (Chair), Eileen Logan, Eddie Phillips (Vice-Chair) and Jonathan Findlay.
Apologies	Councillors John Campbell, Ellen Hurcome, Jim McElhill, Nan McFarlane, Ian McKenzie, Duncan MacIntyre, Alan Moir, Alan Noon and John Reid.
Attending	Valerie Davidson, Treasurer, Bruce Kiloh, Head of Transport Planning and Gordon Dickson, Economist.

1. Declaration of interest

The committee noted that there were no declarations of interest.

2. Minute of previous meeting

The minute of the meeting of 25 June 2010 (issued) was submitted and approved as a correct record.

3. Review of Strathclyde Concessionary Travel Scheme: update and proposals for 2011/12

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There was submitted a report (issued) of 24 November 2010 by the Treasurer

- (1) providing detail on the monitoring and impact of the scheme changes which had been introduced in 2009/10, following the review to the Strathclyde Concessionary Travel Scheme;
- (2) appending
 - (a) details of other local concessionary travel schemes within Scotland;
 - (b) the results of an analysis on concessionary fares which suggested that a further increase to the basic concessionary fare should be implemented in order to offset increases in reimbursement costs and balance the scheme budget for 2011/12;
 - (c) a list of scheme operators; and
 - (d) the results of an analysis on ferry routes;
- (3) recommending that the committee approve the following further changes to the SCTS for 2011/12:-
 - (a) an increase in the basic concession fare on all modes by 20p (ie £0.80 single, £1.20 return);

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- (b) that SPT officers enter into dialogue with operators to seek agreement to reduce the level of concessionary reimbursement per trip on all modes included in the scheme by between 10% and 20%;
- (c) that a 10 mile basic concession boundary for ferry services be introduced to the scheme; and
- (d) that a cap on concessionary ferry fares for services to designated rural areas beyond ten miles at 2 x the basic concession be introduced; and
- (e) concluding that the recommendations would ensure that the scheme continued to deliver benefits to the travelling public whilst remaining affordable to the public purse and users.

After discussion and having heard Mrs Davidson in further explanation of the report and Mr Kiloh in answer to members' questions, the committee approved the recommendations at (3) above.

4. Proposed revenue budget for financial year 2011/12

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With reference to the minute of 11 December 2010 (page 1, paragraph 4) and (page 3, paragraph 5) when the committee had

- (1) approved, inter alia,
 - (a) major short term recommendations for the entire Strathclyde Concessionary Travel Scheme (SCTS) following its recent review; and
 - (b) a revenue budget for 2010/2011 of £4.412m which reflected the forecast impact of the scheme changes and a substantial reduction of interest received from cash balances due to prevailing interest rates;
- (2) noted
 - (a) that the budget had been funded by a £1.886m draw on reserves and £2.626m requisition from the 12 constituent authorities; and
 - (b) that constituent authorities were aware that drawing on the scheme reserves was not sustainable on an ongoing basis,

there was submitted a report (issued) of 22 November 2010 by the Treasurer

- (i) informing members that although reimbursement claims to date in 2010/11 suggested that the changes implemented in 2010/11 generated savings in line with the estimates contained in the budget, further saving proposals would be required to ensure that the scheme remained affordable to funding authorities;
- (ii) enclosing as an appendix to the report, a proposed revenue budget for 2011/12 of £4.388m;
- (iii) highlighting that the budget for 2011/2012 included:-
 - forecast increased patronage in line with scheme trends;

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- an increase on the basic concession of £0.20 for all modes to £0.80 single and £1.20 return;
 - a reduction in the administrative cost of the scheme; and
 - consolidation of 2010/11 scheme changes;
- (iv) advising members
- (A) that, although the residual scheme held reserves of £4.213m which had been accrued over a number of years largely through the 12 member authorities providing funding in excess of GAE, the transition to a smaller residual scheme had led to a review of reserves with the recommendation that reserves should be reduced to a level appropriate to the residual scheme; and
 - (B) that consequently, reserves were forecast to be approximately £2.3m at 31 March 2011;
- (v) informing members
- (A) that reserves had now reached the level where it is was not possible to reduce by similar amounts on an ongoing basis; and
 - (B) that at this stage it was forecast that approximately £1.8m of reserves could be utilised during the next financial settlement period i.e. 3 years from 2011/12;
- (vi) appending a number of options for utilising reserves which had been discussed with funding partners;
- (vii) explaining that although the preferred option at this stage was to implement a tiered application of reserves as detailed in appendix 3 of the report, this could not be finalised until the Local Government settlement was confirmed; and
- (viii) recommending that the committee approve
- (A) a proposed budget of £4.388m for financial year 2011/12;
 - (B) £1.8m of reserves to be utilised over this financial settlement period with phasing to be agreed with funding authorities; and
 - (C) finalisation of the funding authority requisition in accordance with the agreement on reserve utilisation.

After discussion and having heard Mrs Davidson clarify that the rail fares in the Strathclyde area would increase by an average of 5.8%, the committee approved the recommendations at (viii) above.

5. Revenue monitoring report as at end of period 8, 6 November 2010

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There was submitted a report (issued) of 22 November 2010 by the Treasurer

- (1) reminding members that the committee had approved a revenue budget for 2010/11 of £4.412m;

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- (2) appending the revenue monitoring report for the period to 6 November 2010 (period 8);
- (3) informing members that, based on the information available to date, an underspend of £0.04m was forecast at this stage; and
- (4) advising members that all budget lines would continue to be monitored closely to ensure that the underspend was achieved.

After consideration, the committee noted the terms of the report.

6. Finalised abstract of accounts for 2009/10 and external audit reports

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There was submitted a report (issued) of 25 November 2010 by the Treasurer

- (1) enclosing
 - (a) the finalised Abstract of Accounts for Strathclyde Concessionary Travel Scheme Joint Committee for the year ended 31 March 2010. which had now been submitted to the Controller of Audit in accordance with the legislative timetable;
 - (b) KPMG's report to those charged with governance for the year ended 31 March 2010; and
 - (c) KPMG's annual audit report to members and the Controller of Audit for the year ended 31 March 2010;
- (2) informing members that, the conclusions of the external audit report were satisfactory and had indicated that the financial statements for the Joint Committee for the financial year 2009/10 were unqualified; and
- (3) advising members
 - (a) that a small number of remedial actions to improve the financial statements and strengthen corporate governance arrangements had been identified; and
 - (b) that the implementation of these actions had been agreed with the Treasurer to the Joint Committee.

After consideration the committee

- (i) approved the finalised abstract of accounts; and
- (ii) noted the external audit reports and the planned actions.

7. Chair's remarks

The Chair advised members that this would be his last meeting as he was resigning from SPT and a number of outside bodies, in order that he could take up a new role in North Lanarkshire Council. He took the opportunity to thank members of the Joint Committee

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and officers of SPT for their hard work and the professionalism which they had given to the operation of the Strathclyde Concessionary Travel Scheme.

Thereon, the Chair expressed his warmest wishes to all members and their families during the festive season.