

Strathclyde Concessionary Travel Scheme  
Joint Committee



**Performance and Reimbursement Results for 2018/19 Financial Year-end and Update on 2019/20 Quarter 1 Results**

**Date of meeting** 20 September 2019

**Date of report** 11 September 2019

**Report by Treasurer/Secretary**

**1. Object of report**

To update the Committee of the Strathclyde Concessionary Travel Scheme's performance and reimbursement results for 2018/19 financial year-end and update on the first quarter's results for financial year 2019/20.

**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.

Since the last major review of the Scheme in 2008, these updates have informed decisions taken by the Committee to implement necessary changes to the Scheme, for example on Scheme fares, the operator reimbursement formula and changes to peak-time travel restrictions. These changes have been necessary to ensure the longer-term sustainability of the Scheme. This is summarised in Appendix 1. A history of Scheme patronage and reimbursement is also presented in Appendix 2.

At the last meeting of the Committee in March 2019, and with a trend highlighting increasing demand and rising reimbursement, it was agreed by the Joint Committee that an internal review of the Scheme should be undertaken to ensure the Scheme's affordability and sustainability moving forward.

**3. 2018/19 Year-end Performance and Reimbursement**

Members will recall that at the last meeting of the Joint Committee, cumulative totals for 2018/19 financial quarters 1 to 3 were shown which projected an increase in patronage of 1% overall, resulting in a corresponding projected increase in reimbursement expenditure, also of approximately 1%. Performance results and reimbursement costs for the financial year-end 2018/19, compared with 2017/18, are presented Tables 1 and 2 below<sup>1</sup>.

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<sup>1</sup> Figures presented within tables have been rounded for the purposes of this paper.

Table 1: Concessionary Patronage for 2017/18 and 2018/19

Patronage	2017/18	2018/19
	Millions	Millions
Rail	3.52	3.52
Subway	0.84	0.91
Ferry	0.65	0.67
<b>Totals</b>	<b>5.01</b>	<b>5.10</b>

- 3.1 Rail patronage: Concessionary patronage in 2018/19 remained in line with 2017/18 levels.
- 3.2 Subway patronage: This increased by 65,000 (8%) in 2018/19.
- 3.3 Ferry patronage: This increased by 18,000 (3%) in 2018/19.
- 3.4 Overall Patronage: Patronage increased overall by 90,000 (2%) in 2018/19.

Table 2: Concessionary Reimbursement for 2017/18 and 2018/19

Reimbursement	2017/18	2018/19
	£Millions	£Millions
Rail	2.76	2.83
Subway	0.27	0.30
Ferry	0.93	1.00
<b>Totals</b>	<b>3.96</b>	<b>4.13</b>

- 3.5 Rail reimbursement: Table 2 shows a £65,000 (2%) increase in rail reimbursement in 2018/19 compared with 2017/18 and is in line with RPI, the formula used to calculate rail fare changes.
- 3.6 Subway reimbursement: This increased by £35,000 (13%) in 2018/19 compared with 2017/18. This increase is in line with the wider uplift in Subway patronage being observed.
- 3.7 Ferry reimbursement: This increased by £75,000 (8%) compared with 2017/18. This increase is reflective of the standard operator fare increase introduced on routes in 2018/19 and the growth in travel demand.
- 3.8 Overall reimbursement: Across all modes during 2018/19, reimbursement increased by £175,000 (4%) compared with the previous year's total.
- 3.9 Based on year-end results, the average reimbursement cost per passenger journey by mode is as follows:
  - Rail: £0.89
  - Subway: £0.33
  - Ferry: £1.50

#### 4. 2019/20 Quarter 1 Performance and Reimbursement

Table 3: Concessionary travel patronage for Q1 2019/20

Patronage		
Mode	Patronage (000s)	Change vs. 2018/19
Rail	835	+1%
Subway	222	+5%
Ferry	181	+5%
<b>Totals</b>	<b>1,238</b>	<b>+2%</b>

Table 4: Concessionary travel reimbursement for Q1 2019/20

Reimbursement		
Mode	Reimbursement (£000s)	Change vs. 2018/19
Rail	683	+3%
Subway	74	+5%
Ferry	276	+9%
<b>Totals</b>	<b>1,034</b>	<b>+5%</b>

- 4.1 Table 3 shows that demand for concessionary travel during quarter 1 has increased across all modes with a resulting overall patronage increase of 2% compared with the respective quarter in 2018/19.
- 4.2 Table 4 shows an overall increase of 5% in Scheme reimbursement during quarter 1 compared with the respective quarter in 2018/19.

#### 5. Conclusion

- 5.1 Results for 2018/19 financial year-end highlight a sustained demand for concessionary travel with 5.1 million journeys undertaken across all modes. This patronage figure reflects a trend showing year-on-year growth in demand for the Scheme.
- 5.2 In line with the reported increased demand, Scheme reimbursement has also increased significantly. Financial year-end 2018/19 saw a 4% increase in Scheme reimbursement meaning additional costs of £175,000 have been incurred compared with 2017/18.
- 5.3 Results for the first quarter of financial year 2019/20 once again show there is continued increased demand for Scheme travel. These results highlight a 2% increase in overall patronage resulting in a corresponding reimbursement increase of 5% which is linked to increases in the standard operator fares by mode.
- 5.4 Members are asked to note that the Scheme's fare increase applied in the first quarter of 2018<sup>2</sup> has helped manage Scheme costs, however, figures presented within this paper show that both demand and reimbursement continue to rise considerably.

<sup>2</sup> [http://www.spt.co.uk/documents/latest/ct230218\\_agenda6.pdf](http://www.spt.co.uk/documents/latest/ct230218_agenda6.pdf) (see also Appendix 2 timeline of changes)

- 5.5 It is likely that participating operator fares will rise again with this current financial year and that demand will also continue to grow; meaning further financial pressures will be placed on the Scheme.
- 5.6 Based on results of the first quarter of 2019/20, if this trend continues through to the year-end, it is estimated that the Scheme will incur additional reimbursement costs of in the region of £210,000.
- 5.7 Officers will continue to identify ways in which the costs to the Scheme can be managed within budget projections. Performance and reimbursement results detailed within this paper affirm the Committee's decision in March 2019 to undertake a review of the Scheme, with findings of the review presented in a separate paper.

## 6. Committee action

The Committee is asked to note the contents of this paper.

## 7. 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.
Personnel consequences	None at present
Equalities consequences	None at present
Risk consequences	None at present

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## Appendix 1: History of Scheme Changes

### 2010-11

- Increased the basic concessionary fare on rail and Subway by a maximum of 20p.
- Re-introduced a basic concessionary fare on ferry services included within SCTS.
- Introduced a price differential between single and return basic concessionary fare i.e. single 60p and return £1.00.

### 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 10 miles at 2 x basic concession.

### 2012-13

- Updated operator reimbursement calculations.
- Introduced an evening-peak restriction on rail travel [between 16.30 and 18.00 hrs].
- 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.

### 2018-19

Basic concessionary return fare increased to £1.50. No change to single fare.

### 2019-20

Basic concessionary fare maintained at £1.00 single and £1.50 return.

**Appendix 2: Scheme Patronage and Reimbursement History (previous 7 years).**

<b>Patronage (millions)</b>								
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Rail</b>	3.37	3.21	3.21	3.37	3.36	3.43	3.52	3.52
<b>Ferry</b>	0.64	0.64	0.64	0.67	0.65	0.68	0.65	0.67
<b>Subway</b>	0.71	0.70	0.77	0.83	0.81	0.72	0.84	0.91
<b>Totals</b>	<b>4.72</b>	<b>4.55</b>	<b>4.62</b>	<b>4.87</b>	<b>4.82</b>	<b>4.82</b>	<b>5.01</b>	<b>5.10</b>

<b>Reimbursement (£millions)</b>								
	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Rail</b>	2.73	2.50	2.53	2.64	2.67	2.75	2.76	2.83
<b>Ferry</b>	1.10	1.04	1.02	1.05	0.93	0.95	0.93	1.00
<b>Subway</b>	0.22	0.23	0.25	0.27	0.27	0.24	0.27	0.30
<b>Totals</b>	<b>4.05</b>	<b>3.77</b>	<b>3.80</b>	<b>3.96</b>	<b>3.87</b>	<b>3.94</b>	<b>3.96</b>	<b>4.13</b>