

## Strathclyde Concessionary Travel Scheme Joint Committee



### Performance and Reimbursement Update: 2024/2025 year-end and Quarter 1, 2025/2026

**Date of meeting** 19 September 2025

**Date of report** 1 September 2025

#### Report by Treasurer

#### 1. Object of report

To provide an update on the Strathclyde Concessionary Travel Scheme Joint Committee's ("the Scheme" or SCTS) performance and reimbursement results for 2024/2025 financial year-end and to provide an interim outlook for the current financial year 2025/2026.

#### 2. Background to report

The Committee requires regular updates on Scheme performance and reimbursement costs to ensure value for users and maintain financial sustainability. These updates also support informed decisions on potential changes to fares, reimbursement formulas, and peak-time travel restrictions.

In recent years, rising demand and increasing reimbursement costs indicated that Scheme reserves could be depleted within 1–2 years without intervention. As a result, the Committee approved recommendations from an in-depth review on 12 March 2021 aimed at safeguarding the Scheme's affordability and sustainability<sup>1</sup>.

Following a deferral period, a new "half-fare with cap" structure replaced the previous basic concessionary fares from 1 April 2025. This change aimed to reduce operator reimbursement and ease pressure on reserves, supporting long-term financial stability. This decision was taken based on the information known at the time of taking the decision.

However, thereafter the Scottish Ministers' decision to permanently remove peak rail fares from 1 September 2025 required the Committee to reassess the Scheme's financial impact and reimbursement arrangements with ScotRail. At a special meeting of the Joint Committee on 14 August 2025, members approved a revision to concessionary rail fares, offering one-third off new off-peak return and single tickets. Without this change, the estimated additional annual cost to the Scheme was approximately £1 million per annum.

Although travel demand had remained below pre-pandemic levels in recent years, since 2023/2024 SCTS has demonstrated post-covid recovery and continued strong concessionary travel demand.

Appendix 1 provides a timeline of Scheme changes, while Appendix 2 outlines historical patronage and reimbursement data.

<sup>1</sup> [https://www.spt.co.uk/media/xdflr2mw/sctsjc120321\\_agenda5.pdf](https://www.spt.co.uk/media/xdflr2mw/sctsjc120321_agenda5.pdf)

### 3. 2024/2025 Performance and Reimbursement Year End

Performance results and reimbursement costs for the financial year-end 2024/2025, compared with 2023/2024, are presented in Tables 1 and 2 below.

Table 1: Concessionary Travel Patronage for 2023/24 and 2024/2025.

Patronage	2023/2024	2024/2025
	Millions	Millions
Rail	3.54	4.14
Ferry	0.57	0.68
Subway	0.96	1.03
<b>Totals</b>	<b>5.07</b>	<b>5.85</b>

Table 2: Concessionary Travel Reimbursement for 2023/24 and 2024/2025.

Reimbursement	2023/2024	2024/2025
	£Millions	£Millions
Rail	2.67	3.55
Ferry	1.06	1.39
Subway	0.36	0.42
<b>Totals</b>	<b>4.09</b>	<b>5.36</b>

- 3.1. Table 1 shows concessionary travel demand increased across all modes in financial year 2024/2025 with 5.85 million journeys undertaken. This represented an overall increase in patronage of 0.78 million compared with financial year 2023/2024.
- 3.2. However, much of this increase can be attributed to ScotRail's removal of peak rail fares pilot which ran between 2 October 2023 and 27 September 2024 when off-peak fares were valid all day. Examination of ScotRail figures determined that approximately 600,000 additional journeys were undertaken – many of these in the traditional peaks.
- 3.3. Table 2 shows that Scheme reimbursement was £5.36 million in 2024/2025, meaning an increase of £1.27 million was paid to participating operators compared with 2023/2024.

### 4. 2025/2026 Quarter 1 Outlook

Tables 3 and 4 below present the performance results and reimbursement costs for the first quarter of financial year 2025/2026 compared with the corresponding quarter in 2024/2025.

Table 3: Concessionary Travel Patronage Quarter 1 Interim Outlook.

Patronage		
Mode	(millions)	Change vs. 2024/2025
Rail	0.95	-31%
Ferry	0.14	-7%
Subway	0.26	+10%
<b>Totals</b>	<b>1.34</b>	<b>-23%</b>

Table 4: Concessionary Travel Reimbursement Quarter 1 Interim Outlook.

Reimbursement		
Mode	(£millions)	Change vs. 2024/2025
Rail	0.67	-31%
Ferry	0.14	-52%
Subway	0.10	+6%
<b>Totals</b>	<b>0.91</b>	<b>-33%</b>

- 4.1. Table 3 highlights a significant decline in concessionary travel demand during the first quarter of the 2025/2026 financial year, compared to the same period in 2024/2025. Across all modes, concessionary patronage fell by 23%.
- 4.2. The decline is particularly evident on concessionary rail travel, which fell by 31% - equating to approximately 0.42 million fewer journeys. However, this reduction can be attributed to the conclusion of ScotRail's peak fare removal pilot, which was in operating during the comparable first quarter of 2024/2025.
- 4.3. Table 4 shows a corresponding decrease in concessionary travel reimbursement for the first quarter of 2024/2025 with a 33% decrease in reimbursement paid to operators across all modes.
- 4.4. Although ferry concessionary demand in the first quarter fell by just 7% (around 9,000 journeys), the associated reimbursement on ferry dropped by 52% or nearly £150,000. This highlights the impact of the new concessionary fares structure on reimbursement levels.
- 4.5. Rail reimbursement also reduced significantly, by 31% in the first quarter of this year. Since a reimbursement cap was applied in the corresponding quarter of 2024/2025 to mitigate the cost impacts of ScotRail's pilot, this reduction in reimbursement would also suggest the new SCTS fare structure is helping manage SCTS costs.
- 4.6. Although Subway reimbursement increased in line with rising patronage, its traditionally lower fare levels compared to other modes, combined with the half-fare structure which also includes a minimum fare equivalent to the previous basic concession rate, have limited any immediate reduction in overall reimbursement.

## 5. Changes to Participating Operator Fares

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. Further changes to concessionary rail fares with regard to Scotrail's new fares structure from 1st September have already been agreed with Scotrail to ensure that the scheme remains financially viable. Table 5 below outlines 2025 operator fare increases.

Table 5: 2025 Fare Increases

<b>Rail</b>	<p><b>ScotRail fares increased by 3.8% on 1 April 2025.</b></p> <p>Subsequently, on 1 September 2025, ScotRail introduced a new "no-peak fares" structure. At present, there has been no announcement regarding any fare increases for 2026.</p>
<b>Ferry</b>	<p><b>CalMac fares increased by 10% on 28 March 2025.</b></p> <p>As of yet, there has been no announcement regarding any further fare increases for 2026.</p>

<b>Subway</b>	<p><b>Subway Fares increased by an average of 3% from January 2025.</b></p> <p>A similar increase is proposed for January 2026.</p>
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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

These increases are then reflected on the level of re-imbursement the Scheme makes to operators.

## 6. Conclusions

- 6.1. Figures in this report for the last full financial year 2024/2025 show a significant increase in the number of concessionary journeys compared to 2023/2024, when overall demand had already returned to pre-covid levels. This increase resulted in large corresponding increases in reimbursement costs.
- 6.2. The new SCTS fare structure was introduced on 1 April 2025, replacing the previous basic concessionary fares with a new “half-fare with cap” model. While results from the first quarter of the financial year show an overall reduction in concessionary travel, patronage appears to reflect more typical levels of demand seen in 2023/2024, following the conclusion of ScotRail’s off-peak pilot, during which peak-time concessionary travel restrictions were reinstated.
- 6.3. It is still too early to fully assess the long-term impact of the new concessionary fare structure on overall demand. However, early analysis suggests that the anticipated reductions in reimbursement are beginning to materialise.
- 6.4. Members are reminded of the recent Committee decision<sup>2</sup> to revise concessionary rail fares from 1 September 2025, in line with ScotRail’s permanent removal of peak fares. The revised fare offers a one-third discount on off-peak return and single tickets, which represent the vast majority of tickets sold.
- 6.5. Members are further reminded that this revision will allow a detailed review of the impact of the new off-peak fares and re-imbursement arrangements with ScotRail to be more fully understood. However, SPT will continue to work with all participating transport operators and will closely monitor the impact of all fare changes implemented since 1 April 2025 on travel demand and reimbursement levels.

## 7. Consequences

Policy consequences

*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”*

Legal consequences

*None directly.*

<sup>2</sup> [https://www.spt.co.uk/media/2uxn4oul/sctsjs140825\\_agenda3.pdf](https://www.spt.co.uk/media/2uxn4oul/sctsjs140825_agenda3.pdf)

Financial consequences	<i>Early indications suggest that anticipated reductions in reimbursement are being achieved. SPT will require to monitor impacts over a longer term.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>Monitoring of the SCTS performance and costs helps safeguard the Scheme in the longer-term.</i>
Risk consequences	<i>None directly.</i>
Climate Change, Adaptation & Carbon consequences	<i>None at present.</i>

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## APPENDIX 1: History of Scheme Changes

<p><b>2016-17</b></p> <ul style="list-style-type: none"> <li>Basic concessionary fare maintained at 90p single and £1.30 return.</li> </ul>	<p><b>2017-18</b></p> <ul style="list-style-type: none"> <li>Basic concessionary fare increased to £1.00 single and £1.40 return.</li> </ul>
<p><b>2018-19</b></p> <ul style="list-style-type: none"> <li>Basic concessionary return fare increased to £1.50. No change to single fare.</li> </ul>	<p><b>2019-20</b></p> <ul style="list-style-type: none"> <li>Basic concessionary fare maintained at £1.00 single and £1.50 return.</li> </ul>
<p><b>2020-21</b></p> <ul style="list-style-type: none"> <li>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></li> </ul>	<p><b>2021-22</b></p> <ul style="list-style-type: none"> <li>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></li> </ul>
<p><b>2022-23</b></p> <ul style="list-style-type: none"> <li>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></li> </ul>	<p><b>2023-24</b></p> <ul style="list-style-type: none"> <li>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></li> </ul>
<p><b>2024-25</b></p> <ul style="list-style-type: none"> <li>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></li> </ul>	<p><b>2025-26</b></p> <ul style="list-style-type: none"> <li>A new "half-fare" structure with fare capping is introduced from 1 April 2025. Following the Scottish Ministers' announcement of the permanent removal of peak rail fares, a temporary revision to concessionary rail fares takes effect from 1 September 2025. Under this revision, the SCTS rail fare offer will provide a one-third discount on standard single and return fares.</li> </ul>

## APPENDIX 2: Scheme Patronage and Reimbursement History

Patronage (millions)						
	2019/2020*	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
<b>Rail</b>	3.52	0.57	1.81	2.32	3.54	4.14**
<b>Ferry</b>	0.67	0.24	0.50	0.56	0.57	0.68
<b>Subway</b>	0.90	0.20	0.51	0.73	0.97	1.03
<b>Totals</b>	<b>5.09</b>	<b>1.01</b>	<b>2.82</b>	<b>3.61</b>	<b>5.08</b>	<b>5.85</b>

Reimbursement (£millions)						
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
<b>Rail</b>	2.97	0.53	1.61	2.10	2.67	3.55
<b>Ferry</b>	1.03	0.40	0.86	1.03	1.06	1.39
<b>Subway</b>	0.32	0.07	0.19	0.27	0.35	0.42
<b>Totals</b>	<b>4.32</b>	<b>1.00</b>	<b>2.66</b>	<b>3.40</b>	<b>4.08</b>	<b>5.36</b>

\* Pre-Covid Period

\*\* Period covers ScotRail's removal of Peak Rail Fares Pilot, including lifting of SCTS peak time travel restrictions.