

Minute of Strathclyde Concessionary Travel Scheme Joint Committee

21 February 2014

held in Consort House, Glasgow

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Present Councillors Kaye Harmon (Chair), Gilbert Davidson, Eileen Logan, Bobby McDill, Nan MacFarlane and David Wilson.

Attending Valerie Davidson, Treasurer/Secretary; Kirsten Clubb, Committee Support Officer; and Martin Breen, Planning and Projects Officer.

1. Apologies

Apologies were submitted from Councillors Jackie Hendry and Alan Moir.

2. Declaration of interest in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000

The Joint Committee noted that there were no declarations of interest.

3. Minute of previous meeting

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The minute of the meeting of 14 June 2014 was submitted and approved as a correct record.

Arising from the minute

- (1) with regard to page 2, paragraph 6, the Joint Committee agreed
 - (a) that the Secretary should write to the Transport Minister to request that further consideration be given to the provision of concessionary travel for young persons resident on Scottish Islands; and
 - (b) that a copy of that letter be circulated to all members of the Joint Committee, constituent authorities and the Education Minister; and
- (2) with regard to page 3, paragraph 7, the Joint Committee noted that the Association of Train Operating Companies (ATOC) had advised the Secretary they could not extend their scheme to include eligible veterans across the UK.

4. 2012/2013 Abstract of Accounts

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There was submitted and approved a report (issued) of 22 January 2014 by the Treasurer requesting that the Joint Committee note the finalised abstract of accounts appended to the report for the financial year ending 31 March 2013.

5. Proposed revenue budget for financial year 2014/2015

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There was submitted a report (issued) of 22 January 2014 by the Treasurer

- (1) reminding members that the Joint Committee had approved a revenue budget for 2013/2014 of £4.558m, funded by £4.250m requisition and a £0.3m draw on reserves;
- (2) advising members

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- (a) that as at 31 March 2013, the residual local scheme held reserves of £1.403m;
 - (b) that the forecast draw of £0.3m in 2013/2014 was in accordance with the previous agreement to utilise reserves, and reduce them to a more appropriate level; and
 - (c) that the final position of reserves as at 31 March 2014 was greater than originally anticipated as a result of savings being generated;
- (3) enclosing as an appendix to the report, a proposed revenue budget for 2014/2015 of £4.328m which reflected:-
- forecast patronage in line with scheme trends; and
 - revised and reduced operator reimbursement levels, net of forecast fares increases based on 2013/2014 actuals;
- (4) informing members
- (a) that the proposals were designed to maintain the overall scheme within levels affordable to local authorities and to continue to utilise reserves prudently in support of the scheme; and
 - (b) that the budget was in line with the tiered approach endorsed in 2011/2012 for the following 3 year period and with the funding capacity of the 12 member authorities; and
- (5) recommending that the Joint Committee approve
- (a) a proposed budget of £4.328m for the financial year 2014/15; and
 - (b) the utilisation of £0.7m of reserves in line with the three year agreement with funding authorities.

After discussion particularly relating to the on-going assessment of concessionary travel criteria, the Joint Committee approved the recommendations at (5) above.

6. Revenue monitoring report as at end of period 10, 4 January 2014

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There was submitted and noted a report (issued) of 22 January 2014 by the Treasurer

- (1) reminding members that the Joint Committee had approved a revenue budget for 2013/2014 of £4.558m;
- (2) appending the revenue monitoring report for the period to 4 January 2014 (period 10);
- (3) informing members that, based on the information available to date, the forecasted revenue outturn was anticipated to be £4.258m which reflected £300k savings generated by the implementation of the revision to the operator reimbursement mechanism and introduction of an evening peak restriction on the rail network; and
- (4) advising members that the budget would continue to be closely monitored to ensure that the forecasted position was achieved.

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7. Strathclyde Concessionary Travel Scheme: Update on 2013/2014 monitoring and performance and costs

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With reference to the minute of 25 January 2013 (page 1, paragraph 4) when the Joint Committee had

- (1) considered a report on the implementation of the agreed changes to the Strathclyde Concessionary Travel Scheme for 2012/2013 to ensure the long term financial sustainability of the Scheme, and
- (2) agreed, inter alia, that the basic concessionary fare on all modes be increased by 10p single and 10p return during the next financial year at the effective fare implementation date for each mode,

there was submitted a report (issued) of 16 January 2014 by the Treasurer/Secretary,

- (a) informing members
 - (i) that the agreed increase to the basic concessionary fare in 2013/2014 had been successfully implemented on all modes; and
 - (ii) that monitoring of the Scheme had shown that demand remained strong and reimbursement levels remained in line with 2012/13 levels; and
- (b) advising members
 - (i) that whilst the impact of the 2013/2014 changes went some way to addressing the increasing cost of the Scheme, any future increases to standard fares on rail, Subway or ferry might result in an increased reimbursement cost to the Scheme in 2014/15; and
 - (ii) that whilst there was no proposal for basic concessionary fares changes in 2014/2015, SPT officers would continue to consider ways in which the costs of the Scheme could be managed in line with budget projections.

After considerable discussion and having heard Mrs Davidson in answer to members' questions, the Joint Committee

- (A) agreed that a further update and monitoring report focusing on the impact of the 2013/2014 fares increase would be provided to the next meeting of the Joint Committee; and
- (B) otherwise noted the terms of the report.

8. Systems review of SCTS operator payments

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There was submitted and noted a report (issued) of 8 January 2014 by the Treasurer

- (1) informing members that SPT systems and business processes were used to support the administration of the Strathclyde Concessionary Travel Scheme;
- (2) detailing the audit findings of a system review of Strathclyde Concessionary Travel Scheme operator payments;

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- (3) explaining that the objective of the audit engagement was to review and evaluate the system for operator payments and to ensure that those payments were made in accordance with the Strathclyde Concessionary Travel scheme;
- (4) advising members
 - (a) that some areas for improvement had been identified and five recommendations had been agreed which would be implemented by departmental management;
 - (b) that key controls existed and were applied consistently and effectively in the majority of areas covered in the engagement; and
 - (c) that reasonable assurance could be taken from the areas covered in the engagement.

After consideration, the committee noted the position and agreed that the Audit & Assurance Manager should submit a follow up report on the implementation of the recommendations to a future meeting of the Joint Committee.

9. Status report on performance of Travel Card Unit

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There was submitted a report (issued) of 10 February 2014 by the Treasurer,

- (1) informing members of the performance of SPT's Travel Card Unit and on-going associated issues;
- (2) appending a table detailing National Entitlement Card cardholder volumes for the Strathclyde Concessionary Travel Scheme (SCTS) area as at 10 February 2014;
- (3) providing details of the number of incoming calls and calls answered by the Unit for 2013/2014, including comparison figures for previous years; and
- (4) reminding members
 - (a) that the SCTS criteria for the Disabled National Entitlement Card had changed from October 2013, following the Scottish Governments' decision to use the Daily Living Component of the new Personal Independence Payment or Attendance Allowance; and
 - (b) that although that change would result in a small increase in the number of people eligible, SPT officers would monitor the changes in cardholders and applications and provide feedback on any issues to the Joint Committee.

After discussion and having heard Mrs Davidson in answer to members' questions, the Joint Committee

- (A) noted the terms of the report; and
- (B) agreed that other ways of communication be investigated for the renewal of cards for visually impaired members of the Scheme.