

# Minute of Strathclyde Concessionary Travel Scheme Joint Committee

**12 December 2008**

held in Consort House, Glasgow

**contact officers:**

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## Minute of the meeting of the Strathclyde Concessionary Travel Scheme Joint Committee held in Glasgow on 12 December 2008

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| <b>Present</b>   | Councillors Robert Burrows (Chair), Ian Douglas (deputy), Eddie Phillips, and Alistair Watson.     |
| <b>Apologies</b> | Councillors John Campbell, Nan McFarlane, Duncan MacIntyre, Ian McKenzie, Alan Noon and John Reid. |
| <b>Attending</b> | Valerie Davidson, Treasurer.   |

### 1. Quorum

The committee, having waited ten minutes, agreed to proceed to determine the business informally on the basis that a quorum of seven members was not present.

### 2. Minute of previous meeting

The minute of the meeting of 27 June 2008 (issued) was submitted and approved as a correct record.

### 3. Revenue budget for financial year 2009/10

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There was submitted a report (issued) of 25 November 2008 by the Treasurer,

- (1) informing members
  - (a) that the introduction of a Scotland-wide Bus Concession Scheme had had a significant impact on the cost of the residual Strathclyde Scheme; and
  - (b) that although after two years of the residual scheme the cost of the scheme had settled at just over £4m per annum, fares and patronage increases would impact on future years;
- (2) enclosing as an appendix to the report, a proposed revenue budget for 2009/10 of £4.690m;
- (3) advising members that the budget for 2009/10 reflected:-
  - increased fares in respect of ferries, subway and Scotrail;
  - increased patronage in respect of ferries and Scotrail;
  - ferry travel on ferry services for ferry card holders;
  - ferry generation remaining at 40% for ordinary and companion concession passengers and 20% for 60 to 64 year old concession passengers; and
  - a fare of 40p per journey on the subway and rail network, within the terms of the scheme.

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- (4) explaining that it was necessary to consider the level of funding available from the 12 member authorities to support the residual scheme in conjunction with the level of reserves which had been accumulated in support of the previous scheme;
- (5) recommending
  - (a) that reserves be utilised over the financial period 2008/09 to 2010/11 to minimise the contribution from member authorities; and
  - (b) that in 2009/10 a draw of £2.163m be made from reserves resulting in a contribution of £2.527m across the 12 authorities; and
- (6) highlighting that constituent authorities were aware that drawing on the scheme reserves was not sustainable on an ongoing basis.

After consideration, the committee noted the recommendation at (5) above

#### **4. Revenue monitoring report as at end of period 8 – 2008/09**

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There was submitted a report (issued) of 25 November 2008 by the Treasurer

- (1) reminding members that the committee had approved a revenue budget for 2008/09 of £4.138m;
- (2) appending the revenue monitoring report for the period to 8 November 2008 (period 8); and
- (3) informing members that, based on the information available to date, an overspend of £0.208m was forecast at this stage which would be contained within the available resources.

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

#### **5. Internal audit plan 2008/09 – progress report**

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There was submitted and noted a report (issued) of 25 November 2008 by the Treasurer

- (1) reminding members that as Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee shared many common systems, the Partnership's internal audit team provided internal audit coverage for both organisations;
- (2) appending a progress report for the annual internal audit plan for 2008/09;
- (3) highlighting that the main objectives of the annual audit plan were to:-
  - translate the strategic plan into a schedule of audit assignments;
  - define the purpose and duration of each audit assignment; and
  - provide a framework for direction and control;
- (4) explaining

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- (a) that the planned number of productive days had decreased from 95% to 88% during the three months to 31 October 2008, due to an increase in the level of sick leave; and
  - (b) that a part-time agency auditor would be recruited to remedy the shortfall in planned productive days and provide cover for a period of maternity leave due to start early next year; and
- (5) concluding that the implementation of the proposed audit plan should ensure the delivery of the planned audit coverage for 2008/09.

## **6. Strathclyde Concessionary Travel Scheme cash balances**

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There was submitted and noted a report (issued) of 25 November 2008 by the Treasurer

- (1) reminding members that the Strathclyde Concessionary Travel Scheme (SCTS) cash balances were managed by SPT in accordance with the Treasury Management Practices and Strategy;
- (2) advising members of the cash balances held at the end of 8 November 2008 (period 8); and
- (3) appending
  - (a) the main principles of the Treasury Management Practices; and
  - (b) a daily banking sheet detailing the working cash balances managed by SPT on behalf of SCTS.

## **7. Request for rail travel to be included within the concession fare structure**

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There was submitted a report (issued) of 3 December 2008 by the Assistant Chief Executive (Business Support)

- (1) reminding members of the number of requests received to include Bishopton within the concession 40p flat fare structure;
- (2) advising members
  - (a) that Bishopton was 12.5 miles from Glasgow based on track mileage, outwith the 10 mile boundary for the scheme;
  - (b) that modelling had been undertaken to identify the costs that would arise from the inclusion of Bishopton and while the cost was relatively small (approx £15,000), it did not take into account other stations that fell into the same category;
  - (c) that it was during this analysis that it became clear that there were historic anomalies in the schemes and therefore a financial assessment of changing the scheme had been undertaken. This had identified that increasing the scheme boundary by 12 miles would increase the costs by at least £50,000 and extending it to 15 miles would result in an increase of £250,000; and

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- (d) that the current cost of the scheme was increasing above the level of government support and therefore any changes to the area of the scheme would require to be fully understood; and
- (3) recommending at this stage not to change the current scheme boundary, but to carry out a major review of the scheme covering the issues outlined in the report below:
- a clear definition of the scheme boundaries, and routes within
  - the impact of adding stations or routes to the scheme
  - a review of the concession fare structure and how fare changes may affect this, and
  - an assessment of the current 40p flat fare and a financial assessment if this was to be increased or decreased;

Following discussion and having heard Mrs Davidson in answer to members' questions, the committee

- (i) noted the request to include Bishopston within the 40p flat fare structure;
- (ii) agreed
  - (a) that no changes be made to the scheme at present; and
  - (b) that a full review of the scheme be undertaken to bring forward proposals to the scheme terms, fare structure and criteria.