

## Minute of Strathclyde Concessionary Travel Scheme Joint Committee

**25 January 2013**

held in Consort House, Glasgow

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## **Minute of the Strathclyde Concessionary Travel Scheme Joint Committee held in Consort House, Glasgow, on 25 January 2013**

**Present** Councillors Kaye Harmon (Chair), Gilbert Davidson, Jackie Henry, Eileen Logan, Alan Moir, Nan McFarlane, George Redmond, John Semple and David Wilson.

**Attending** Valerie Davidson, Treasurer/Secretary; Valerie A Bowen, Senior Clerk and Gordon Dickson, Head of Transport Planning.

### **1. Apologies**

Apologies were submitted from Councillors Tony Buchanan, David McBride, Bobby McDill, and John Bruce.

### **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**

The minute of the meeting of 29 June 2012 was submitted and approved as a correct record.

### **4. Strathclyde Concessionary Travel Scheme: Update on 2012/2013 changes and monitoring of performance and costs**

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With reference to the minute of 27 January 2012 (page 1, paragraph 4) when the Joint Committee had agreed to a number of changes to the Strathclyde Concessionary Travel Scheme (SCTS) for 2012/2013 to ensure the long term financial sustainability of the Scheme, there was submitted a report (issued) of 17 January 2013 by the Treasurer/Secretary,

- (1) providing detail on the monitoring and impact of the scheme changes which had been introduced for 2012/2013;
- (2) drawing members' attention to the following key points which had arisen from the monitoring of the first 2 quarters of 2012/2013:-
  - concession patronage overall had decreased by 6% in Q1 and by 5% in Q2 compared with 2011/12; and
  - reimbursement to operators had decreased by 12% in Q1 and by 7% in Q2 compared with 2011/12;
- (3) advising members
  - (a) that, in addition to the Subway fares increase which had been implemented in September 2012, fares on First ScotRail services would increase on average by 3.9% in January 2013; and
  - (b) that, although ferry fares had yet to be determined, the cost of operator reimbursement was likely to increase, assuming that the demand for concessionary travel remained stable;

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- (4) recommending 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;
- (5) appending examples showing the potential impact on operator reimbursement by mode; and
- (6) intimating that officers would continue to engage with the Subway ticketing team and their partners to explore synergies, opportunities and potential benefits for the Scheme following the proposed introduction of a Smartcard system in 2013. To ease the transition of the new system, the fare increase would be effective from 29 September 2013, which would fall after the transition period.

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

- (i) agreed that a paper be prepared outlining what other organisations provided in relation to concessions for veterans; and
- (ii) otherwise approved the terms of the report.

## **5. Proposed revenue budget for financial year 2013/2014**

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There was submitted a report (issued) of 8 January 2013 by the Treasurer

- (1) reminding members that the Joint Committee had approved a revenue budget for 2012/2013 of £4.470m, funded by £3.870m requisition and a £0.6m draw on reserves which represented an increase in funding authority requisitions as part of a three year programme to reduce the draw on reserves to a manageable level;
- (2) enclosing as an appendix to the report, a proposed revenue budget for 2013/2014 of £4.558m which reflected:-
  - forecast patronage in line with scheme trends;
  - a reduction in the administrative cost of the scheme; and
  - revised and reduced operator reimbursement levels, net of forecast fares increases based on 2012/2013 actuals;
- (3) informing members
  - (a) that the proposals were designed to maintain the overall scheme within levels affordable to local authorities; and
  - (b) that the budget was in line with the tiered approach endorsed in 2011/2012 for the following 3 year period; and
- (4) recommending that the Joint Committee approve
  - (a) a proposed budget of £4.558m for the financial year 2013/14; and
  - (b) the utilisation of £0.3m of reserves in line with the three year agreement with funding authorities.

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After discussion, the Joint Committee approved the recommendations at (4) above.

## **6. Revenue monitoring report as at 8 December 2012**

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There was submitted and noted a report (issued) of 8 January 2013 by the Treasurer

- (1) reminding members that the Joint Committee had approved a revenue budget for 2012/2013 of £4.470m;
- (2) appending the revenue monitoring report for the period to 8 December 2012 (period 9);
- (3) informing members that, based on the information available to date, an underspend of £0.026m was forecast at this stage which would allow an extension to the tiered reserve policy and assist with overall funding of the scheme; and
- (4) advising members that all budget lines would continue to be closely monitored to ensure that the underspend was achieved.

## **7. SCTS eligibility impacts**

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There was submitted a report (issued) of 17 January 2012 by the Treasurer/Secretary

- (1) providing background information on the UK Government's Welfare Reform Act 2012 which would come into force on 1 April 2013;
- (2) explaining that the Act, together with the impact of projected demographic changes, would have implications for the eligibility criteria of the Strathclyde Concessionary Travel Scheme (SCTS) and the number of people who would qualify for the Scheme in future;
- (3) appending 5 and 10 year population projections for each local authority within the SCTS area; and
- (4) advising members that SPT, as secretariat to the Joint Committee, had responded to a Scottish Government consultation on entitlements to its schemes and had highlighted the potential impact the changes to welfare reform might have on SCTS eligibility.

Following discussion and having heard Mr Dickson and Mrs Davidson in response to members' questions on the sustainability of the SCTS, particularly in relation to the projected increase of over 100,000 people aged 60 plus over the next 10 years, the Joint Committee noted that further information would be provided in the coming months as greater detail emerged from the UK Department for Work and Pensions and the Scottish Government.

## **8. Status report on performance of Travel Card Unit**

[Click here to view report](#)

There was submitted a report (issued) of 17 December 2012 by the Treasurer,

- (1) informing members of the performance of SPT's Travel Card Unit and associated issues;

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- (2) intimating that the digital contact centre system and digital call recording facilities continued to function well and that the digital recording facility had been used on several occasions to resolve customer issues;
- (3) enclosing as appendices to the report, various charts which highlighted the number and type of cards issued to each constituent authority, call volumes for the Travel Card Unit between 2009/2010 and 2012/1013 together with the percentage of calls answered in that period and information in relation to the processing of disabled card applications;
- (4) advising members
  - (a) that the National Entitlement Card Programme Office (NECPO) and the Improvement Service had held a briefing in October 2012 to inform Local Authorities of the award of the contract for a new Card Management System (CMS) and card-issuing bureau service to ESP Systex Ltd;
  - (b) that the changes to CMS would impact on both the Local Authorities in relation to Young Scot cards, and SPT with regard to Elderly and Disabled cards;
  - (c) that the most significant potential impact was the proposal to move to a universal card design without local authority branding on the National Entitlement Card. This proposal included the removal of the SCTS "S" icon which was the sole visual identifier that the cardholder was eligible for concessionary rail and subway travel under SCTS; and
  - (d) that additional impacts would be
    - improved data reporting;
    - reduction of "tasks" requiring action within CMS, thus reducing bottlenecks;
    - loss of cardholder contact history in the new CMS, although NECPO would continue to try to find a solution to this issue; and
    - a new requirement on SPT/Local Authorities to input customer data directly into CMS, rather the current procedure of sending forms to ESP for processing.

Following discussion, the Joint Committee

- (i) agreed that written representation be made to the Improvement Service and NECPO in relation to retaining the SCTS "S" icon; and
- (ii) otherwise noted the terms of the report.