

## Strathclyde Concessionary Travel Scheme Joint Committee



### Strathclyde Concessionary Travel Scheme: Update on monitoring and performance costs for 2015/16 year-end and 2016/17 Q1 and Q2.

**Date of meeting** 4 November 2016

**Date of report** 19 October 2016

#### Report by Treasurer / Secretary

#### 1. Object of report

The object of this report is to provide an update to the Committee on the performance and monitoring costs of the Strathclyde Concessionary Travel Scheme ('the Scheme') for 2015/16 financial year-end and for financial Quarters 1 and 2 of 2016/17.

#### 2. Background

Following a review of the Scheme in 2009/10, it was agreed by the Committee that the performance and costs of the Scheme should be monitored and reported regularly.

The latest performance and monitoring results for financial year-end 2015/16 are presented in Tables 1 and 2 below. Tables 3 and 4 show performance and monitoring costs for the first 2 financial quarters of 2016/17.

#### 3. 2015/16 Performance and Monitoring<sup>1</sup>

Tables 1 and 2 below show performance and reimbursement costs for the Scheme for financial years 2014/15 and 2015/16.

*Table 1: Concessionary Travel Patronage for 2014/15 and 2015/16*

Patronage	2014/15	2015/16
	millions	millions
Rail	3.37	3.36
Subway	0.83	0.81
Ferry	0.67	0.65
<b>Totals</b>	<b>4.87</b>	<b>4.82</b>

<sup>1</sup> Figures presented throughout this paper have been rounded for reporting purposes.

- 3.1 Table 1 shows that concession patronage levels on rail during 2015/16 remained broadly in line with those observed during 2014/15.
- 3.2 Table 1 also shows however that concession patronage levels on both Subway and ferry fell during 2015/16; by 2%, and 3% respectively.
- 3.3 Overall, in 2015/16, there was a small reduction in concession patronage of 1%. This is a decrease of approximately 50,000 journeys.

*Table 2: Concessionary Travel Reimbursement for 2014/15 and 2015/16*

Reimbursement	2014/15	2015/16
	£millions	£millions
Rail	2.57	2.60
Subway	0.27	0.27
Ferry	1.05	0.93
<b>Totals</b>	<b>3.89</b>	<b>3.80</b>

- 3.4 Table 2 shows that in 2015/16 there was a small increase of 1% in Scheme reimbursement costs for concessionary rail travel.
- 3.5 In terms of Subway, 2015/16 Scheme reimbursement costs remained in line with 2014/15 levels.
- 3.6 For ferry services in 2015/16, Scheme reimbursement costs decreased more notably by 11% compared with 2014/15. Members are reminded that in October 2015, Road Equivalent Tariff (RET) was rolled out across Clyde & Hebridean ferry routes; with these being the only remaining non-RET routes within the SCTS area<sup>2</sup>. It is most likely that the introduction of RET on these busy routes has resulted in this reduction in Scheme reimbursement as the reimbursement to CalMac will now be based on a lower average fare.
- 3.7 Scheme reimbursement in 2015/16 overall saw a decrease of 2%; equating to a reduction of approximately £90,000.

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<sup>2</sup> Excludes Argyll Ferries Gourock-Dunoon route which remains non-RET.

## 4. 2015/16 Quarter 1 and Quarter 2 Performance and Monitoring

Tables 3 and 4 below show performance and reimbursement costs for the Scheme during the first two quarters of 2016/17 (Q1 Apr – Jun, Q2 Jul – Sep).

*Table 3: Concessionary travel patronage for Q1 and Q2, 2016/17.*

Patronage				
	Quarter 1 – 2016/17		Quarter 2 – 2016/17	
	Patronage ('000s)	Change vs. 2015/16	Patronage ('000s)	Change vs. 2015/16
Rail	773	-3%	759	-4%
Subway	188	-4%	104	-51%
Ferry	174	0%	177	-3%
<b>Total</b>	<b>1,135</b>	<b>-3%</b>	<b>1,040</b>	<b>-12%</b>

- 4.1 Table 3 shows that in 2016/17, concession patronage decreased by 3% in Q1 and by 12% in Q2 compared with the respective first two quarters in 2015/16.
- 4.2 The table shows there was a reduction in concession patronage across all modes during the first two quarters of 2016/17; the exception being Q1 on ferry, where patronage levels were maintained.
- 4.3 Table 3 also shows a notable reduction of 51% in concession patronage on Subway during Q2 of 2016/17. This period included the 6-week suspension of Subway services, necessary in order to carry out planned essential maintenance works. Concession customers who used Subway replacement bus services during this period travelled free courtesy of the National Bus Concession Scheme. No STCS reimbursement was claimed by SPT Subway for concession journeys made during this period and is reflected in patronage and reimbursement totals.
- 4.4 Whilst table 3 shows a reduction in rail patronage for both Q1 and Q2 of 2016/17, members are reminded that during those quarters in 2016/17, significant engineering works took place which affected rail services into Queen Street Station high level and is likely to have impacted to some extent upon rail concession patronage.
- 4.5 Overall, concession patronage totals for 2016/17 Q1 and Q2 show a reduction of 7% and equates to a decrease in the number of journeys of approximately 175,000.

Table 4: Concessionary travel reimbursement for Q1 and Q2, 2016/17.

Reimbursement				
	Quarter 1 – 2016/17		Quarter 2 – 2016/17	
	Reimbursement (£'000s)	Change vs. 2014/15	Reimbursement (£'000s)	Change vs. 2014/15
Rail	616	-1%	605	-1%
Subway	64	-4%	35	-51%
Ferry	236	-7%	238	-11%
<b>Total</b>	<b>916</b>	<b>-3%</b>	<b>878</b>	<b>-8%</b>

- 4.6 Table 4 shows that in Q1 and Q2 in 2016/17, concession reimbursement costs decreased by 3% and by 8% respectively.
- 4.7 There was notable reduction in Subway reimbursement during Q2 in 2015/16 for those reasons outlined in 4.3 above.
- 4.8 There was a notable reduction in ferry reimbursement during both Q1 and Q2 of 2016/17. Figures shown for ferry include RET routes recently introduced on Clyde & Hebridean routes and has helped reduce scheme reimbursement costs.
- 4.9 Overall, concession reimbursement costs for 2016/17 Q1 and Q2 reduced by 5% which equates to reduction in Scheme reimbursement costs of approximately £103,000 for the first two quarters.

## 5. Conclusions

- 5.1 Monitoring of the Scheme during 2015/16 has shown only a modest reduction of 1% in the number of concession journeys made. In the same year, reimbursement costs have decreased by 2%. Overall, patronage figures for 2015/16 show that demand for concessionary travel remained strong with 4.82 million journeys being made.
- 5.2 Monitoring of the Scheme during the first two quarters of 2016/17 shows an overall reduction in Scheme patronage of 7% and a reduction in Scheme reimbursement costs of 5%. However, as outlined previously, there are likely contributing factors to these reductions, and once again, demand for the Scheme during 2016/17 continues to remain strong.
- 5.3 Members are asked to note that there has been no change made to SCTS concessionary fares since 2013/14, and whilst the fare change applied then, coupled with the roll out of RET, has helped broadly maintain reimbursement costs, officers will continue to consider ways in which the costs to the Scheme can be managed within budget projections. It should be noted that any future increases to standard fares on rail, Subway or ferry may result in increased reimbursement costs to the Scheme.

5.4 Members are also asked to note that RET has now been introduced on all remaining eligible ferry routes within the SCTS area. The introduction of RET appears to have contributed to considerable savings to the Scheme whilst maintaining strong patronage. Officers will however continue to monitor the impact of RET and report findings at future committees.

5.5 Two appendices have been provided for further information:

- A summary of Strathclyde Concessionary Travel Scheme changes to date (Appendix 1).
- Details of patronage and scheme cost history (Appendix 2).

## 6. Committee Action

6.1 The Committee are requested to note:

- The performance and costs of the Scheme during 2015/16.
- The performance and costs of the Scheme during the first two quarters of 2016/17.
- The continued strong demand for the Scheme by users and reimbursement costs to date.
- Note that the basic concessionary fare has remained unchanged since 2013/14 (Appendix 1)

## 7. Consequences

Policy consequences	<i>The Scheme continues to meet the RTS Objective "Access for All"</i>
Legal consequences	<i>None at Present</i>
Financial consequences	<i>None at Present. Efficient Monitoring of the Scheme will help ensure that this remains the case in future.</i>
Personnel consequences	<i>None at Present</i>
Equalities consequences	<i>None at Present</i>
Risk consequences	<i>None at Present</i>

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**Title: Treasurer / Secretary**

For further information, please contact Martin Breen on 0141 333 3741

## Appendix 1: 6-year Summary of Strathclyde Concessionary Travel Scheme Changes

### 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 ten miles at 2 x the basic concession.

### 2012/13

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

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## Appendix 2: Details of Patronage and Scheme Cost History

### Strathclyde Concessionary Travel Scheme - Patronage and Reimbursement

	Patronage							
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Millions	Millions	Millions	Millions	Millions	Millions	Millions	Millions
Rail	3.19	3.26	3.32	3.37	3.21	3.21	3.37	3.36
Ferry	0.69	0.71	0.68	0.64	0.64	0.64	0.67	0.65
Subway	0.8	0.82	0.77	0.71	0.70	0.77	0.83	0.81
<b>Total</b>	<b>4.68</b>	<b>4.79</b>	<b>4.77</b>	<b>4.72</b>	<b>4.55</b>	<b>4.62</b>	<b>4.87</b>	<b>4.82</b>

	Reimbursement							
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions
Rail	2.48	2.74	2.52	2.66	2.44	2.46	2.57	2.60
Ferry	1.41	1.54	1.20	1.10	1.04	1.02	1.05	0.93
Subway	0.36	0.41	0.31	0.22	0.23	0.25	0.27	0.27
<b>Total</b>	<b>4.25</b>	<b>4.69</b>	<b>4.03</b>	<b>3.98</b>	<b>3.71</b>	<b>3.73</b>	<b>3.89</b>	<b>3.80</b>