

# Minute of Strathclyde Concessionary Travel Scheme Joint Committee

**24 June 2011**

held in Consort House, Glasgow

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# Minute of the meeting of the Strathclyde Concessionary Travel Scheme Joint Committee held in Glasgow on 24 June 2011

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**Present** Councillors Kaye Harmon (Chair), Tom Barr (Substitute), John Campbell, Jonathan Findlay, Eileen Logan, Duncan MacIntyre, Nan McFarlane, Alan Moir, Eddie Phillips (Vice-Chair) and Al Reay (Substitute).

**Attending** Valerie Davidson, Treasurer; and Neil Wylie, Director of Finance & HR.

## 1. Apologies

Apologies were submitted from Councillors Ellen Hurcome and Alan Noon.

## 2. Declaration of interest

The committee noted that there were no declarations of interest.

## 3. Membership update

Mrs Davidson informed members that North Lanarkshire Council had intimated a change to its representation on the Joint Committee. She explained that Councillor Kaye Harmon had been appointed to replace Councillor Mark Griffin. The Joint Committee noted the position.

## 4. Interim Chair

Councillor Phillips took the chair at the commencement of the meeting pending the appointment of a Chair to replace Councillor Burrows who had previously intimated his resignation

## 5. Appointment of Chair

Nominations were sought for the post of Chair.

Thereon, Councillor Eddie Phillips, seconded by Councillor Tom Barr, moved that Councillor Kaye Harmon be elected to the post of Chair and there being no further nominations, the Joint Committee agreed unanimously to appoint Councillor Harmon who took the Chair for the remainder of the meeting.

## 6. Minute of previous meeting

The minute of the meeting of 10 December 2010 (issued) was submitted and approved as a correct record.

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**7. 2010/2011 Abstract of Accounts**

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There was submitted a report (issued) of 6 June 2011 by the Treasurer requesting that the Joint Committee agree that the draft abstract of accounts appended to the report for the financial year ending 31 March 2011 be submitted to the Controller of Audit.

After discussion and having heard the Chair congratulate Mr Wylie and his team for the hard work involved in the production of the accounts, the Joint Committee approved the 2010/2011 Abstract of Accounts.

**8. Strathclyde Concessionary Travel Scheme: Update on 2011/2012 changes and monitoring of performance and costs**

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With reference to the minute of 10 December 2010 (page 1, paragraph 3) when the Joint Committee had approved the following further changes to the Strathclyde Concessionary Travel Scheme applicable for 2011/2012:-

- (1) an increase in the basic concession fare on all modes by 20p (ie £0.80 single, £1.20 return);
- (2) that SPT officers enter into dialogue with operators to seek agreement to reduce the level of concessionary reimbursement per trip on all modes included in the scheme by between 10% and 20%;
- (3) that a 10 mile basic concession boundary for ferry services be introduced to the scheme; and
- (4) that a cap on concessionary ferry fares for services to designated rural areas beyond ten miles at 2 x the basic concession be introduced,

there was submitted a report (issued) of 8 June 2011 by the Treasurer,

- (a) providing detail on the monitoring and impact of the scheme changes which had been introduced for 2011/12;
- (b) advising members
  - (i) that SPT had held meetings with participating operators, including ScotRail, CalMac, Western Ferries, Argyll and Bute Council and SPT's Subway to inform them of the agreed changes, highlight any potential problems with implementation and coordinate communication for the changes; and
  - (ii) that the process was underway with operators to complete an agreement for reduced reimbursement payments in 2011/2012, 2012/2013 and 2013/2014 respectively;
- (c) informing members
  - (i) that discussions had also taken place with a number of key stakeholders including Age Scotland, North Ayrshire Forum on Disability, Arran Elderly Forum

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and Arran Community Council who had agreed to further engagement with SPT as the scheme developed, and

- (ii) that although such groups were generally opposed to the fares increases, they were supportive of the scheme and recognised the excellent benefits it delivered to the elderly and disabled users;
- (d) indicating that following previous correspondence, the Vice Chair had written to the Transport Minister to request formally that life line ferry free travel be incorporated as part of the National Concessionary Travel Scheme, which request had again been formally rejected; and
- (e) concluding that monitoring of the performance and cost of the scheme had shown that whilst demand remained strong, the reimbursement costs had been reduced substantially in line with estimated savings.

After discussion, particularly relating to the ferry element of the scheme and in particular feed back from representations made on behalf of Arran users, Mrs Davidson advised members that SPT would be carrying out a number of surveys during the summer period on various ferry services, the Joint Committee

- (I) agreed
  - (A) that a further update and monitoring report should be submitted to the December meeting of the Joint Committee; and
  - (B) that the Treasurer should write to ScotRail raising members' concerns regarding passengers being unable to purchase their tickets at the concessionary rate onboard trains.
- (II) otherwise, noted the report.

## 9. Status report on performance of Travel Card Unit

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There was submitted a report (issued) of 8 June 2011 by the Treasurer,

- (1) informing members of the performance of SPT's Travel Card Unit and ongoing operational issues, following the introduction of the Citizen's Account and Card Management systems;
- (2) explaining that although there remained some ongoing operational issues due to the loss of some functionality following the introduction of the new systems, the most critical issues had been resolved and discussions to resolve the remaining issues would continue;
- (3) advising members
  - (a) that one remaining operational issue still to be resolved was SPT's status as an agent on behalf of the local authorities when dealing with certain matters, normally statistical or an information data request to the National Entitlement Card Policy Office (NECPO); and

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- (b) that, despite having received previous confirmation from the local authorities of SPT's role as the authorised agent, NECPO still maintained a stance that, as data owners only the relevant local authority could request the appropriate information;
- (4) enclosing as appendices to the report various charts which highlighted the number of incoming calls and calls answered by the unit between 2007 - 2011; and
- (5) intimating that although current call volumes remained 30% higher than 2008/09 levels prior to the closure of the Novacroft Contact Centre, these increased call volumes had been handled by the Travel Card Unit team within resource constraints throughout 2010/11.

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

- (i) agreed that the Treasurer should write to Transport Scotland regarding the national criteria for Entitlement Cards, particularly in relation to partially sighted disabilities; and
- (ii) otherwise, noted the report.

#### **10. Internal Audit Annual Report 2010/2011**

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There was submitted a report (issued) of 8 June 2011 by the Treasurer

- (1) appending the Internal Audit Annual Report 2010/2011 which encompassed both Strathclyde Partnership for Transport and Strathclyde Concessionary Travel Scheme Joint Committee; and
- (2) advising members that the report
  - (a) compared actual activity with planned activity, demonstrated the extent to which the audit needs of the Partnership and the Joint Committee had been met and highlighted the significant findings to date;
  - (b) commented on the soundness of both organisations' internal controls which had been examined in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice; and
  - (c) concluded that reasonable assurance could be placed upon the adequacy and effectiveness of the Partnership and Joint Committee internal control systems in the year to 31 March 2011.

After consideration and having heard Mrs Davidson in further explanation, the Joint Committee noted the internal audit annual report for 2010/2011.

#### **11. Internal Audit Plan 2011/2012**

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There was submitted and noted a report (issued) of 8 June 2011 by the Treasurer

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- (1) appending an internal audit plan for 2011/2012 which had been prepared in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom, issued in 2006 by the Chartered Institute of Public Finance and Accountancy;
- (2) reminding members that the main objectives of the annual audit plan were to
  - translate the audit strategy into a schedule of audit assignments;
  - define the purpose and duration of each audit assignment; and
  - provide a framework for direction and control;
- (3) informing members
  - (a) that the risk assessment used to support the 2009/2012 Audit Strategy had been undertaken at a time when the Partnership's departmental risk registers were not fully complete for audit purposes;
  - (b) that recent developments in SPT's risk registers had offered the opportunity to align better audit coverage with all key risks and their associated mitigating controls; and
  - (c) that where possible the proposed audit coverage would be directed to offer assurance on the effectiveness of controls identified in SPT's corporate risk register and departmental register;
- (4) advising members
  - (a) that as some departmental risk registers were subject to review as part of organisational changes, it was not possible to format an audit needs assessment and to plan based exclusively on risk registers;
  - (b) that in order to overcome this, the Chief Internal Auditor had completed an audit needs assessment using other valuable information to ensure that the allocation of audit resources was prioritised against key risks and controls; and
  - (c) that this risk assessment would therefore be informed by relevant sections of risk registers, previous internal audit work, intelligence, discussions with the Strategy Group, Service Directors, the Audit and Standards Committee and the Joint Committee; and
- (5) highlighting that the delivery of the annual plan would ensure that the audit coverage anticipated in the Audit Strategy 2009/2012 was achieved.

## **12. External Audit - Interim Management Report**

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There was submitted the Interim Management Report issued by the External Auditors, KPMG, for the year ended 31 March 2011 which summarised KPMG findings regarding the following:-

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- audit methodology;
- key risk areas;
- organisational wide controls; and
- key financial controls.

After consideration, the committee noted the External Auditor's Interim Management report.