TRANSPORT THEMATIC BOARD

30 AUGUST 2019

TRANSPORT FOR THE NORTH INTEGRATED AND SMART TRAVEL UPDATE

Purpose of Report

To provide the Transport Board with an update on the latest progress within the Transport for the North (TfN) Integrated and Smart Travel (IST) Programme.

Freedom of Information

GUIDANCE [Thematic Board Papers and any appendices will be made available under the Combined Authority Publication Scheme. This scheme commits the Authority to make information about how decisions are made available to the public as part of its normal business activities.

In this section it must be clear if:

A – the paper will be available under the Combined Authority Publication Scheme

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This paper may be released under a Freedom of Information request. In this section, it must be clear if the paper has any exemption under Part II of the Freedom of Information Act 2000 (the report author must specify which exemption applies and why)]

Recommendations

That Executive Board notes the contents of the report and gives its views on any observations made, including recommendations on any additional items listed under section 2.

1. **Introduction**

    1.1 Transport for the North (TfN) established its Integrated and Smart Travel (IST) Programme in 2016 with the submission of its Outline Business Case to DfT for funding.

    The programme comprises of three phases;

    1. Smart on rail – allowing customers to purchase and travel on the rail network in the North using ITSO smart cards for their travel products.
    2. Customer information – provides customers with the same kind of information currently enjoyed by most rail passengers available to bus and light rail passengers.

This includes fares data, disruption information in real-time and standardised data for ease of sharing.

3. Account-based travel – will provide a fair-price promise capping system of public transport fares across the North. Customers only need to tap on and off on multi-modal journeys and will only be charged the best price for those journeys for daily and weekly travel.

1.2 Smart on rail

Smart on rail went live across the North in January 2019 following a pilot on the Hull to Scarborough Line. The programme rolled out across the North, migrating from east to west coast and completing implementation by March 2019. Customers can now renew any season product as a smart ticket at a manned ticket office and plans are in place to allow online retail sales in the very near future.

In terms of uptake, around 60% of all season tickets are now being issued on to a smart card, with Northern at 42% and TPE at 52%. 72% of the Northern smart cards issued are for weekly season tickets, demonstrating the demand for repeat customer use in the commuter market.

As of the end of June 3,874,000 journeys had been loaded to smart cards. The priority is to now increase the market share of monthly and annual tickets, with patronage increase being a longer-term goal.
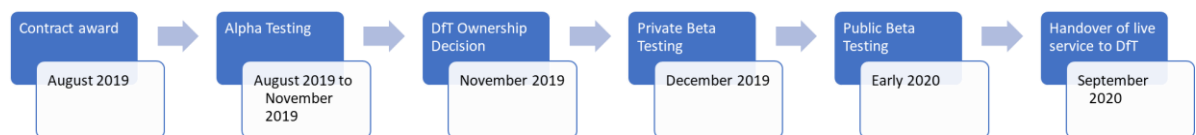
1.3 Customer information

Fares Data

The Fares Data Tool will allow the collation of fares data from operators across the North into a single repository which will display fares information as open data. This can then be included in journey planners and other customer facing platforms, to enhance customer information and facilitate multi-modal travel.

The Fares Data Build Tool is still in procurement with supplier clarifications meetings currently being scheduled. Whilst the evaluation period had to be extended by six weeks, the selection of a preferred supplier (Infinity Works) was named in early August 2019, with the contract to be finalised in early September.

A fares data timeline can be seen below;

Contract award	Alpha Testing	DfT Ownership Decision	Private Beta Testing	Public Beta Testing	Handover of live service to DfT
August 2019	August 2019 to November 2019	November 2019	December 2019	Early 2020	September 2020

Disruption Messaging

This tool provides a solution to record disruption messages and distribute them simultaneously to multiple sources, including social media, on street displays and open data users. It has the potential to link disruption data across multimodal forms of travel.

The disruption messaging tool has been through a number of design phases and re-work of the scope and specification. These have now been completed, and the LTA's involved have progressed to agreeing the commercial principles of its use. Testing is due to commence in August with full roll out in February 2020. A disruption messaging timeline can be seen below;

Design phase complete — April 2019 → Commercial Principles Workshops — May 2019 to June 2019 → Alpha Testing — August 2019 → Beta Testing — November 2019 → Full rollout complete — February 2020

Open Data Hub

An Open Data Hub for the North is being been created to include existing open data, and new open data, including bus fare and disruption messaging. LTA's and users will be able to access and share public transport data in a structured, consistent and common format. The Hub builds on other aspects of Phase 2 by providing the platform in which data is stored.

At present the project assumes integration of the Disruption Messaging tool data in November 2019 and Fares Data in early 2020.

1.4 Account-based travel

The Account-based travel solution for the North (often referred to as ABBOT, or Account-Based Back Office Ticketing) aims to provide, through contactless bank card use, a fair price promise to cap (at day and week) a customer's travel at the most they would pay for the journeys they make across all modes. The customer need not worry about what fare they will be charged as the system will aggregate journeys in the back office and work out what they will be charged for periods of travel. All the customer need do is tap on and off their mode of transport every time they travel with their bank card (or equivalent) and the system will charge them accordingly.

Whilst the principles of the project are entirely sensible and replicate in many respects the Oyster system that is already in place in Greater London, it has encountered a number of challenges with progressing the business case given the scale and complexity of the programme required to make it work. London has the benefit of being a largely "closed" public transport network and all operated by a single entity, TfL. Trying to reach consensus on the design and implementation across disperse organisations and districts in the North has proved much more challenging.

Furthermore, as the business case has progressed, so have the alternative technological solutions available in the market. When originally proposed, there were no bus operators in South Yorkshire (at least) who were delivering contactless payment for travel on vehicles though this is now commonplace across most major operators in the North. Furthermore, fare capping was also not available, though First South Yorkshire are now proposing to pilot daily and weekly fare capping in the region from October.

As a result, the levels of support particularly from large national bus operator groups (namely Arriva, First, Go-Ahead, Stagecoach, and Transdev) have diminished as they are finding their own solutions to fare price capping for their own customers, either as individual operators or as part of a regional ticketing scheme. As pertinent to the operators is the cost of participation in ABBOT through cost of commission. If this is excessive and can only be brought down through a greater volume of transactions, then operators are nervous that the assumptions on growth of ABBOT use are not achieved and hence costs of participation are too high.

TfN requested letters of commitment from public transport operators and LTA's to support the progression of ABBOT to contract award to suppliers and to allow development to take place. Whilst strong letters of commitment have been received from number of operations (inc. Northern), the letters from the five major bus operators named above have been heavily caveated and therefore pose a significant risk to the delivery of Phase 3 as envisaged by the Outline Business Case.

As a result, TfN issued a stakeholder briefing on 8 July stating that they cannot justify spending public money continuing to pursue the current delivery strategy. A copy of this was leaked to the press and published in the Yorkshire Post in late July.

TfN are now considering alternative options to take the programme forward, maintaining the same vision but with different delivery strategies. Among those being considered include continuing to develop the offer with those already committed, as part of a staged approach, as well as hybrid solutions where the TfN technology works with that used by bus operators.

The IST Team is currently working at pace to assess this and presented six options for consideration at the Transport for the North Board on Wednesday 31 July. We await formal feedback from the TfN Board as to the preferred option, if any.

2. Proposal and justification

2.1 It is recommended that SYPTE and SCR will continue to engage directly with the TfN IST Programme to understand progress, in particular on phase 3 - Account based travel. We will continue to provide quarterly updates on overall programme progress to SYPTE Management Board and Transport Executive Board as appropriate.

SYPTE will continue to work with operators and internal teams to prepare our systems in readiness for IST Phase Two Customer Information outputs, ensuring that the customer-facing products and services benefit from the improvements in data availability and consistency.

This will ensure that we continue to be well sighted on programme process but also act as a trusted advocate of TfN IST activity more generally, noting that our position on phase 3 may have to change dependent on a recommended way forward.

3. Consideration of alternative approaches

3.1 An alternative approach would be to withdraw support for the IST programme or some or all of its constituent phases. To date, SYPTE has been supportive, and has provided both letters of endorsement and commitment to supporting the schemes covered by the IST programme. Therefore, withdrawal of support would mark a significant shift in intent and could make positioning of South Yorkshire priorities on other TfN programmes more difficult.

4. Implications

4.1 Financial

There are no direct financial implications as a result of this paper. SYPTE have provided written commitment to support Phase 2 customer information initiatives which will require a financial contribution after TfN withdraw funding at the end of two years, however SYPTE are developing systems and processes to incorporate the TfN information and costs which will make these revenue contributions at worst cost-neutral.

4.2 Legal

There are no direct legal implications as a result of this paper. Should SYPTE and SCR chose to withdraw support from some of all of the programme phases, we would formally have to communicate this to TfN Board.

4.3 Risk Management

Failure to deliver the expected outcomes as defined by the IST Programme could lead to challenges in achieving the SYPTE Retail and Information Strategy objectives.

There is a risk that failure to deliver could cause reputational damage both with South Yorkshire but also across the north given the programme is pan-northern.

There is a risk that future funding for retail, information and ticketing initiatives is reviewed or withdrawn as a consequence of issues or failure of the IST programme to deliver its objectives.

4.4 Equality, Diversity and Social Inclusion

There are no direct equality, diversity or social inclusion implications as a result of this paper.

5. Communications

5.1 There are no specific communications requirements as a result of this update paper.

6. Appendices/Annexes

6.1 None included.

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

*Thematic Priorities

1. Ensure new businesses receive the support they need to flourish.
2. Facilitate and proactively support growth amongst existing firms.
3. Attract investment from other parts of the UK and overseas, and improve our brand.
4. Increase sales of SCR's goods and services to other parts of the UK and abroad.
5. Develop the SCR skills base, labour mobility and education performance.
6. Secure investment in infrastructure where it will do most to support growth.