

**Report to the
Transport for South Hampshire Joint Committee**

Date: 25 September 2012

Report by: Paul Walker. Transport Policy & Sustainable Travel Team
Leader, Southampton City Council

tel: 02380 832628

email: paul.walker@southampton.gov.uk

Subject: Smart Ticketing Back Office and Scheme Roll Out

Purpose of the Report

To propose a back office solution to roll out Transport for South Hampshire (TfSH) responsibilities of the Local Sustainable Transport Fund (LSTF) bid and propose the appointment of a project officer to deliver the project.

To propose a Smart Ticketing Back Office (Asset Management System/Host Operators Processing System [AMS/HOPS] and possibly Customer Management System [CMS]) solution to enable TfSH to fulfil its responsibilities within the Major LSTF bid.

The report also proposes the appointment of a smart ticketing development officer to deliver the scheme.

Recommendations

That the Joint Committee:

- a) **Approves Southampton City Council, as the Lead Authority, bringing together common functions of the system, facilitating the smart ticketing back office workstream and procuring the Smart Ticketing Back Office (Asset Management System/Host Operators Processing System and Customer Management System where applicable), in partnership with Portsmouth City Council and Hampshire County Council.**
- b) **Agrees that this approach goes through the democratic processes of each partner authority to agree this approach formally.**
- c) **Agrees that a Smart Ticketing Development Officer be recruited by Southampton City Council working to deliver the scheme within the Local Authorities and with transport operators**

funded by the Local Sustainable Transport Fund major bid funding.

Introduction

1. The Smart Ticketing Project has been approved as part of the LSTF Major Bid “A Better Connected South Hampshire”.
2. The aim for the Local Authority Partners is that of a fully interoperable Integrated Ticketing Smartcard Organisation (ITSO) compliant offer, making public transport seamless, easier to use and cheaper as well as promoting growth of the sector. The bid proposes a multi-bus operator card as well as allowing the scheme to include both inland and Isle of Wight ferry operators to participate in the scheme. Due to rail franchising issues and deliverability within the LSTF funding period rail is expected to be included after 2015 and is not currently a funded element of the bid.
3. The AMS-HOPS is a core central component in every ITSO scheme. It provides the pipeline through which all products/keys and data flows are managed, including between different ‘smart’ schemes. Most schemes employ a specialist provider to supply and manage their AMS-HOPS as it is a complex piece of software that requires ITSO certification which links to the ITSO security system, other schemes’ HOPS and all of the devices (POSTs) in the local scheme as well as any external local systems that process and manage data from the scheme.
4. While the CMS is not a formal ITSO component, it is required in order to manage cards/media devices that have been issued, as it provides a means of recording the details of the card holder and products placed on the card. This enables not only the initiating of hot-listing but also the replacement of lost/stolen cards and also more general customer relationship management where that role exists (opening up the possibility of increased understanding of travel behaviour). It is also the point where transport and non-transport usage of smart media can be ‘joined’ from the customer perspective.

Developing a Back Office

5. Areas of work under development following the submission of the bid have included working with bus operators in developing both the technical and commercial terms of reference for the project as well as undertaking feasibility work into physical accommodation works at ferry terminals.
6. The Solent Travelcard is owned by the bus operators who are currently working with TfSH to confirm the commercial and technical

elements of the offer for the smart ticketing element as well as ferry operators to engage in the scheme.

7. Whilst initial work concentrates upon a smartcard for the area it is acknowledged that the field of smart ticketing is moving fast and so solutions need to include not only smartcards but other smart ticketing initiatives such as Near Field Communications technology, mobile phone payments and other emerging payment forms. Near Field Communications is a set of standards for smartphones and similar devices to establish radio communication with each other by touching them together or bringing them into close proximity, usually no more than a few centimetres
8. Following investigation of several options it has been proposed by a technical group of officers from all three authorities that procurement of a back office is undertaken through a lead authority. It has not been possible to join another Local Authority system currently in place or being procured, mainly due to EU procurement regulations. The outcomes of the technical officers working group and assessment of options are attached as Appendix 1 to this report.
9. The intention is for Southampton City Council to be the lead authority in procuring a contract that Portsmouth City Council and Hampshire County Council would use when existing back office functions expire, bringing the local authority systems together. This would encompass the AMS, HOPS as well as a CMS to administer the smartcard. Isle of Wight Council will also have the facility to join the back office system should the scheme extend to the Island.
10. The proposed back office would integrate the partner Local Authority systems allowing the ability to collect improved and robust transaction data in the use of concessionary passes and act as an “honest broker” of any commercial Smart Solent Travelcard reimbursement proposed through the bid as well as hosting the back office for small bus and ferry operators. This should allow for business efficiencies between the partner local authorities through an agreed Service Level Agreement, although there will be a need to manage the system.
11. In addition, to roll out the scheme in accordance with the LSTF bid, it is proposed to appoint, on a fixed term contract, a specialist from within the smart ticketing industry to ensure that the smart ticketing system is rolled out in the timescales of the project. One of the main activities of this post holder will be to deliver the back office system, bring forward the scheme with transport operators, market the scheme and also in a wider sense promote what the scheme will deliver along with expectation management.
12. It is anticipated that this post would be embedded within Southampton City Council, funded through LSTF on a fixed term

basis and working across the three local authorities in the scheme and with bus and ferry operators and Isle of Wight Council as appropriate. Day-to-day management would come from Southampton City Council but the post would be responsible to TfSH Senior Management Board.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE	LOCATION
TfSH Smart Card Governance Report v1.3 2011	Transport for South Hampshire/ MVA
TfSH Smart Card Business Case Report v4.4 2011	Transport for South Hampshire/ MVA
LSTF Bid Submission "A Better Connected South Hampshire"	Transport for South Hampshire
TfSH Smart Ticketing Ferry Operator ITSO Acceptance Report 2012	Transport for South Hampshire/ MVA
LSTF Smart Ticketing Delivery Options Report June 2012	Transport for South Hampshire/ MVA