

Agenda Item 9

Report to the Transport for South Hampshire Joint Committee

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Subject: Smart Ticketing

Purpose of the Report

To update members on the progress made on developing a business case and governance framework for smartcards and smart ticketing in the TfSH area.

Recommendation

That the Smart Ticketing & Media work be progressed with the South Hampshire Bus Operators Association, including further investigation of a multi-modal product and making the Solent Travelcard available through smart media as part of the Local Sustainable Transport Fund bid or any other funding streams that become available.

Introduction

1. In March 2010 MVA Consultancy (MVA) were commissioned by Southampton City Council on behalf of Transport for South Hampshire (TfSH) to develop a business case for providing or grant-aiding elements of a smart card system for the TfSH area.
2. The aim for the Local Authority Partners is that of a fully interoperable, ITSO (Integrated Ticketing Smartcard Organisation) compliant offer, led by the South Hampshire Bus Operators Association (SHBOA), that will provide the link between operators and modes to give the best possible products to transport users – making public transport seamless, easier to use and cheaper as well as promoting growth of the sector. ITSO is the UK's defined technical standard for smart ticketing.

Developing a Business Case

3. An outline Business Case has been developed by the consultants which is currently being refined. This work has been used to inform the work on the emerging Local Sustainable Transport Fund (LSTF) and work with operators on refining potential costs. Further work will take place throughout the coming months on further refining costs of roll-out and implementation. Due to the complexities of project delivery it is proposed that a scheme primarily focused on buses and ferries initially, be extended to rail as franchises are renewed and then to other areas if applicable.
4. 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.
5. The benefits of Smart Ticketing & Media are expected to include:
 - full interoperability to ITSO standard across South Hants (between bus companies then extending to ferries);
 - flexible journey based product (e.g. Multi-day, variable length season tickets, etc.);
 - improved customer insight through knowledge of journey patterns;
 - loyalty programmes;
 - demand management through use of “shoulder peak fares”;
 - auto top up;
 - reduced queue and boarding times;
 - development of Near Field Communications technology and mobile ticketing, as well as the development of smart applications & other new technology; and
 - potential extension to rail, bridge tolls, car clubs, cycle hire etc.
6. Costs have been worked up in an incremental manner, which firstly considers the investment required to deliver a system that, whilst fully configurable, works at “go live” for English National Concessionary Cards and the Solent Travelcard as well as the standard generic products defined nationally in the ITSO specification. Costs have then been worked up for a scheme extending to Ferries and then Rail as well as operator specific products and work will continue on developing the benefit cost ratio.
8. Delivery is expected to take place through an evolutionary approach where a straightforward Local Authority Partnership would be used for the initial phase with the formation of a separate or more formal joint-venture arrangement between the operators and local authority partners. However the South Hampshire Bus Operators Association (SHBOA) has indicated their strong willingness to take a leading role in the process.

9. There are various ways in which the overall scheme could be delivered depending on funding streams available.
10. It is proposed that the work undertaken to date is further developed as part of the business case to be led by SHBOA, initially through any evolving LSTF bid.

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 Business Case Report v4.4	Southampton City Council
LSTF Bid Submission	Southampton City Council