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To: Environment, Highways & Waste Policy Overview Committee
– 16 July 2009

Subject: Smartcard Project

Classification: Unrestricted

Summary: This report informs members of the principal developments, funding arrangements and anticipated timescales in the provision of countywide ITSO Concessionary Smartcards during 2009/10.

1. Introduction

- 1.1 The Kent County Council (KCC) ITSO Concessionary Smartcard Scheme has been commissioned in order to develop the potential of public transport Smartcards across the county and, concurrently, to improve the coverage and quality of Real Time Information in Kent. ITSO is a national standard for smartcards using in public transport.
- 1.2 Considerable progress has been made on the project in recent months, and it is anticipated that the County's first 'live' Smartcards, covering the English National Concessionary Travel Pass and the Kent Freedom Pass, will be accepted on buses in Thanet from September this year.

2. Project Background

- 2.1 The KCC Concessionary Smartcard Scheme has three distinct components: the English National Concessionary Travel Scheme, Kent Freedom Pass and Real Time Information. These will be rolled out in stages as the scheme develops.
- 2.2 English National Concessionary Travel Scheme
- (a) Since April 2008, all people aged 60 and over and disabled people have been entitled to free off-peak travel on local bus services throughout England under the English National Concessionary Travel Scheme (ENCTS).
 - (b) In order to support the Scheme, new national travel passes have been issued by the 12 Kent districts, known as Travel Concessionary Authorities, to all who are entitled to the concession. The pass has been issued as a Smartcard which conforms to a single national card standard known as 'ITSO'. This makes recognition easier for bus operators nationwide, whilst also enabling the storage of electronic information which has the potential to deliver a wide range of benefits to passengers, operators and local authorities.
 - (c) The minimum that Travel Concessionary Authorities have had to provide since April 2008 is ITSO Smartcards for those entitled to concessionary travel. In most of England, therefore, the Smartcard is currently used as a flash pass to be shown to the driver on boarding a bus. In some cases, this has led to inaccurate recording of concessionary journeys, as well as slower boarding times and the risk of fraudulent pass use.

- (d) There are a small number of Travel Concessionary Authorities that have already implemented, or are in the advanced planning stages of, more comprehensive ITSO Smart Schemes. These have begun to develop the full potential of Smartcards by fitting buses with new Electronic Ticket Machines with Smartcard readers and establishing back office systems to collect and process concessionary patronage data from the 'live' Smartcards. These are known as 'fully Smart' authorities and KCC, on behalf of Kent's 12 Travel Concessionary Authorities, will shortly be joining them.

2.3 Kent Freedom Pass

- (a) The Kent Freedom Pass currently entitles young people who are resident in Kent, and who are in academic years 7 to 11 at a school or college in Kent, to travel free at the point of use on any bus at any time across the whole of the County, subject to an annual registration fee of £50. KCC was the first local authority outside of London to introduce a scheme of this magnitude. Full countywide roll out of the scheme was successfully completed in June this year.
- (b) The Kent Freedom Pass is presently issued as a simple flash pass with no potential Smartcard functionality. As with the ENCTS pass, this has resulted in problems associated with inaccurate recording of journeys and fraudulent usage. Consequently, KCC is keen to roll out Freedom Smartcards, commencing with a trial in Thanet from September 2009.

2.4 Real Time Information

- (a) KCC is seeking to deliver Real Time Information (RTI) coverage of all service buses in Kent by 2010/11. This will be achieved through an innovative and cost-effective approach to RTI data processing, involving direct GPRS transfer of location data from the on-bus Electronic Ticket Machine (ETM) to the KCC Urban Traffic Management and Control (UTMC) database. The UTMC database will process, match and predict incoming data against scheduled arrival and departure times, before passing the relevant real time predictions to RTI signs via an upgraded Kent Traffic and Travel website.
- (b) This method of data transfer will deliver key advantages, including uniform RTI coverage of all scheduled bus services, access to dynamic mapping detailing service performance against scheduled data and the integration of on-bus RTI and ticketing equipment into a single, portable ETM unit. The project will remove the existing requirement for costly and often unreliable third-party RTI systems and associated on-bus infrastructure and the significantly enhanced quality of network performance data will facilitate accurate scheduling of bus services and the identification of congestion hotspots.

3. Key Developments

- 3.1 In order to go 'fully Smart', ITSO-certified ETMs with Smartcard readers and GPRS transmitters must be installed on all buses and coaches operating public service journeys in Kent. In view of the scale of the project, and to ensure a level playing field for bus operators in the county, KCC has offered to part-fund operators' independent procurement of the necessary ETMs during 2009/10.
- 3.2 Kent's major commercial bus operators, Arriva and Stagecoach, have made significant progress towards procuring the necessary ETM and back office equipment within the past six months. An agreement has recently been concluded to bring forward Stagecoach's roll out of ETMs to the Group's East Kent subsidiary. The

ETMs were installed during April and May and it is anticipated that those in Thanet will be capable of reading 'live' ITSO Smartcards by September. Negotiations are currently ongoing with Arriva Southern Counties regarding the precise timescale for delivery of the necessary ETMs for the Group's West Kent operating area. However, part-funding arrangements have been agreed and it is anticipated that ITSO-certified ETMs will be in operational use on all Arriva buses based in Kent by late 2010.

- 3.3 Eastonways, the operator of the majority of KCC-contracted bus services in Thanet, is progressing an independent procurement of ETMs with KCC part-funding. All parties are confident of full roll out of the necessary equipment by late August this year. This will enable uniformity in the acceptance of ITSO ENCTS and Kent Freedom Passes from September.
- 3.4 The results of the Thanet trial will inform the roll out of ITSO-certified ETMs to further operators of KCC-contracted bus services. A European tendering exercise will be conducted shortly for the supply of ETMs to operators who are unwilling to procure the necessary equipment independently. These ETMs will be owned and managed by KCC, and will be leased to operators for the duration of each contract term. It is anticipated that all operators of KCC-contracted bus services will be in a position to accept ITSO Smartcards by late 2010, enabling countywide operation of 'live' Smartcards in time for the expected shift of Travel Concessionary Authority responsibilities from District to County level from 2011.
- 3.5 An ITSO Smartcard Scheme also requires the procurement and commissioning of back office hardware and software, known as the Host Operator Processing System (HOPS). The HOPS is essentially a computer that records ITSO transactions, thereby enabling analysis of concessionary travel patterns and operator reimbursement calculations. It is also responsible for the cancelling (or 'hotlisting') of Smartcards which have been lost, stolen or invalidated. Following a lengthy procurement exercise, the contract to supply managed HOPS services to KCC was awarded to Applied Card Technologies Ltd in February 2009. This company has considerable experience of ITSO Smartcard Schemes, having previously won contracts to supply managed HOPS services to the Cheshire County Council, Nottinghamshire County Council and Welsh National ITSO Schemes. The Kent HOPS has recently been commissioned and KCC is currently involved in discussions with the Kent Travel Concessionary Authorities in order to arrange the transfer of all necessary ENCTS transaction data.
- 3.6 In addition to the existing ENCTS passes currently in circulation in Kent, ITSO Smartcards for the Kent Freedom Pass must also be produced in advance of the planned Thanet trial in September this year. KCC has recently awarded the contract to supply these Smartcards to Euclid Ltd, the existing supplier of ENCTS passes to Kent's TCAs. Integration work between the Euclid, Applied Card Technologies and KCC databases is currently ongoing and is well on course for the September deadline.

4. Funding

- 4.1 The total capital budget allocated for this project in 2009/10 is £1m allocated through the Transport & Safety Package Programme (TSP). Approximately £750,000 of this will be spent on the procurement and part-funding of ITSO-certified ETMs with Smartcard readers and GPRS transmitters, and the remainder on the funding of Applied Card Technologies' managed HOPS service and the production of Smart Freedom Passes by Euclid Ltd. A further bid of £80,000 is sought through the 2010/11 TSP Programme to fund further ETMs.

5. Conclusion

- 5.1 The KCC ITSO Concessionary Smartcard scheme offers significant benefits to passengers, bus operators and Kent's local authorities, including faster journey times, more effective delivery and administration of concessionary travel schemes and enhanced information on patronage, network performance and the identification of incidents and congestion. The project is on course to implement a trial of ITSO Smartcard technology involving ENCTS and Kent Freedom Pass in Thanet from September this year and full countywide roll out of the scheme is expected within 18 months.



6. Recommendation

- 6.1 Members are requested to note the report.

Background Documents:

None.

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