
From: David Brazier, Cabinet Member – Transport & Environment
John Burr – Director of Highways & Transportation

To: Environment, Highways & Waste Cabinet Committee

Date: 3 October 2013

Subject: Public Transport Ticketing - A Kent Travel Smartcard

Classification: Unrestricted

Summary:

A commercial multi-operator smartcard for Kent and Medway will make travelling by public transport easier and more attractive. As well as enhance the experience of existing passengers, this will generate new users and grow patronage. The smartcard will provide better intelligence on journeys, enabling more sophisticated targeting of services and marketing. It will also help with work towards a future KCC Kent Card.

Recommendation:

Members are asked to note and endorse the contents of this report.

1. Introduction & Background

It is proposed to develop a new Travel Smartcard for use on bus and rail services across Kent and Medway. The Vision is to provide a convenient and cost-effective way to access transport services, making it easy to travel on different routes, with multiple operators, across both bus and rail. The Kent Travel Smartcard is an important part of our work to improve access to services and deliver a viable alternative to the car journey, tackling congestion and supporting the regeneration of the Kent economy.

2. Bold Steps For Kent and Policy Framework

The Travel Smartcard accords with the following policies:

Grow the Kent economy- Making public transport more attractive will divert more journeys away from the private car and increase capacity on the road network, allowing people to reach employment and education more easily.

Put the citizen in control- multi-operator ticketing allows passengers to travel with different operators on one ticket. This gives people value for money, simplicity and choice in how they travel.

Tackle disadvantage- multi-operator ticketing will give passengers value for money, and increase affordability of public transport.

3. Smart Ticketing- Progress and Next Steps

KCC has invested in Smart Ticketing since 2008 through facilitating new ticket machines as well as smart Older Persons', Disabled Persons' and Freedom Pass Travel cards. We are now in a position to extend the benefits of this investment. We are currently working in partnership with Arriva to launch a pilot project on Arriva bus services in Maidstone during the beginning of 2014. The Maidstone Arriva pilot Smartcard will comprise Pay-As-You-Go (credit stored on card) and Period Pass tickets (unlimited day, weekly and 4 weekly travel). It is intended that the pilot project will then lead to an extension to other operators in Maidstone (target date spring 2014), and then extension across Kent and Medway (target date autumn 2014).

Benefits to passengers include:

- No need to carry cash and the correct fare
- Automatic top-ups- no need to remember to add credit
- Use across different operators
- Credit is protected if card is lost/stolen
- Keep track of journeys/top-ups online

The pilot scheme will be developed in the longer term to offer the following additional benefits:

- Multi-operator day, weekly and monthly tickets
- Automatic fare capping - never pay more than the equivalent Period Pass ticket, regardless of distance or number of trips
- Allow use on the rail network, which will deliver bus and rail integration with seamless journeys and no need for multiple tickets and payments
- Introduce payment by contactless bank card (EMV) and Mobile Phone (NFC) to attract new customers to bus travel
- Move away from cash fares on bus to speed up boarding times
- Include access to other transport initiatives including cycle hire (such as Brompton Docks) and car club schemes (such as Zipcar)

4. Engagement with Operators

All bus and train companies have been approached to discuss possibilities for extending the scheme countywide and across transport modes. Bus operator Arriva is committed to the Maidstone pilot and the development of multi-operator tickets. We are working closely with both their local operations managers and national smartcard managers. Stagecoach is interested in principle in the scheme and the opportunity to develop multi-operator tickets. All smaller bus operators are extremely keen to join the scheme.

Southeastern Rail are keen to work with us to ensure bus and rail ticketing are integrated. This will take considerably longer than bus alone due to the complexity and high ticket values associated with rail. Southeastern are also committed to rolling out some smart tickets on rail first before launching integrated rail-bus products. Smartcards are an agenda item at liaison meetings between KCC and Southeastern, to ensure current developments allow for integration at a future date.

5. Relationship with Kent Card

H&T officers continue to liaise closely with the project manager of the 'Kent Card' (the Corporate Smartcard), who is fully aware of the Travel Smartcard proposals. Significant developments are needed to progress the Kent Card, which are likely to take 2-3 years. The technical developments being delivered for the Travel Smartcard will be of use to the Kent Card project and the Travel Smartcard will be able to become part of the Kent Card when it is ready for launch.

6. Financial implications

The initial costs of the trial and development will be funded primarily by KCC and Medway Council from existing budgets. Such costs are estimated to be £60,000. It is expected that the scheme becomes self-funding in the longer term through a commission out of the revenue apportioned to operators. This will mean that KCC will hold the revenue from ticket sales and re-apportion the revenue as appropriate based on the journeys made with each operator. The cost of the on-going running of the scheme will be taken out of this revenue pot before it is divided amongst operators.

Without KCC's and Medway's involvement, operators would begin to run their own discrete smartcard schemes. These would not allow travel between operators and would not incorporate the proposed multi operator Period Pass. Smaller operators would not be able to afford their own scheme and thus their competitiveness would reduce (in a bus market which already lacks competition). Instead, together we can deliver a scheme which involves all operators and allows travel between them on one ticket.

Some concerns have been raised over a potential risk associated with protecting a passenger's credit on their lost or stolen smartcard. Our consultant advice, from experience in other schemes, is that the financial risk with protecting credit on lost/stolen cards is very low. This facility will also be tested as part of the Maidstone pilot, enabling us to ensure the financial implications are satisfactory before extending across a larger area. The facility will involve a message being sent to ticket machines to cancel the card. This will be available to registered card holders only (protects against misuse). However commercial arrangements such as paying a deposit for the card will build a buffer to balance any possible funds used for lost credit. Any remaining risk will be built into fare commissions.

The DfT have made £15m available for bus ticketing development and it is intended to approach the DfT for funding to deliver the rollout of new technologies such as paying with contactless bank card (EMV) and mobile phone (NFC).

7. Recommendations

Members are asked to note and endorse the contents of this report.

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