

ITEM NO. 8D

GM LOCAL ENTERPRISE PARTNERSHIP BOARD

SUBJECT: Smart Ticketing Update

DATE: 14 July 2016

FROM: Customer Operations Director, TfGM

1. SUMMARY

- 1.1 The 2040 Transport Strategy outlines our vision for Smart Ticketing across Greater Manchester for an integrated fares and easy to use payment system, similar to London and other European cities.
- 1.2 Smart Ticketing enables easier interchange between transport services and more flexible travel options. The Strategy envisages using Smart technology to help transform the customer experience, with a number of initiatives being introduced over the next 5 years.
- 1.3 TfGM has been making progress towards this vision since October 2014, when an initial pilot on Metrolink was rolled out to include c500,000 concessionary travel pass holders.
- 1.4 Subsequent developments in late 2015 included the introduction of Greater Manchester's first multi-operator Smart card. During the same period, the get me there mobile ticketing app for Metrolink was introduced. In February 2016, the app saw a major extension to its ticket range.
- 1.5 TfGM has been further developing plans for the next phases of Smart Ticketing for Greater Manchester.
- 1.6 Active engagement with Transport for the North's (TfN) 'Integrated and Smart Travel' workstream is taking place as part of a wider Pan-Northern approach.
- 1.7 Good progress is being made, however, significantly more work is required to ensure that the vision is fully realised.

2. FUTURE PROGRAMME

- 2.1 Further development work is taking place in the following ways;
 - Extend the availability and range of Smart Ticketing on Metrolink and provide new ways to purchase travelcards and tickets;
 - Introduction of a contactless account based method of payment; and

- Joint work with TfN to ensure the benefits of Smart Ticketing are realised across the North.

The workstreams associated with each of these are outlined below.

3. NEXT EXTENSION TO SMART

- 3.1 The proposed next phase will extend the use of commercial Smart cards to the Metrolink network. This builds on the infrastructure, including the Smart readers that are already in place at Metrolink stops (which are currently used for concessionary and other passes).
- 3.2 Customers will be able to purchase a range of Metrolink and a number of GMTL (Greater Manchester Travelcards Ltd) owned Tram/Bus tickets across a range of retail channels and load them onto compatible Smart cards including get me there cards, English National Concessionary Cards (ENCTS) and the child Igo card. These same cards can be used for multi-operator bus travel.
- 3.3 Dedicated Smart cards are likely to exist for the foreseeable future. TfGM for example, has over 500,000 concessionary Smart card holders as part of the national ENCTS scheme.
- 3.4 To ensure maximum flexibility, appeal and availability, customers will be able to use cash to purchase their Smart card travelcards and tickets.
- 3.5 This phase of commercial Smart Ticketing will build on existing investment, provide further customer benefits and, through making ticketing easier for more customers, is expected to increase patronage. This is an important stepping-stone towards realising the vision.
- 3.6 Final validation of the proposed solution for this stage, including the associated fares policy, is currently underway and subject to the successful outcome of these final steps, TfGM expect to begin delivery of these benefits from mid-2017.

4. CONTACTLESS ACCOUNT BASED TRAVEL

- 4.1 Consumer behaviour continues to change and contactless payment is becoming more mature in a retail environment. Payments via smartphones and wearable technology are also increasing in prevalence.
- 4.2 This analysis points to many customers being agnostic to the way they pay for travel. Solutions must therefore, recognise multiple payment systems and offer choice.
- 4.3 Contactless account based solutions are more versatile and allow for charges that can be capped, based on the number of journeys taken across a week. Similarly, discounts can be applied based on some knowledge of the category of customer.
- 4.4 In turn, this provides value for customers using transport systems. Customers can benefit from the knowledge that they will be charged

appropriately for the journeys they take rather than having to anticipate how they might best achieve value before they travel.

- 4.5 A detailed business case will be produced for the approval and endorsement of GMCA. The business case will detail the approach to procurement and delivery alongside a benefits case. Relevant 'Lessons Learned' from our own and other authorities' experience will form part of this submission.

5. TRANSPORT FOR THE NORTH AND SMART TICKETING

- 5.1 The Chancellor pledged £150 million to TfN towards a Smart Ticketing solution that would provide an ease of travel for customers across the region. A Strategic Outline Business Case to Government outlining a delivery plan for 3 Tranches over a timeline of 10-15 years has been submitted.
- 5.2 Tranche 1 focuses on regional schemes, ensuring that these are aligned to wider inter-region connectivity objectives. TfGM's account based approach is expected to form an early deliverable as part of this wider TfN Pan-Northern delivery plan.
- 5.3 This tranche also has a strong focus on TfN supporting Smart Ticketing on the region's rail network. Heavy rail has significant infrastructure requirements for Smart Ticketing, not least card reader equipment across many hundreds of stations. TfN will play a crucial role in progressing developments with Train Operating Companies (TOCs), Network Rail and the region's authorities.
- 5.4 Achieving the objective of 'seamless inter-region and multi-modal travel' across the North is a significant challenge. Stakeholders include not only the individual regions but also operators across all modes as well as central government. Technology is of little benefit without fares and commercial policies and TfN are leading the facilitation of constructive dialogue between all parties.

6. CHALLENGES

- 6.1 As can be seen, current work on the Smart Programme involves 3 interdependent workstreams, including the need to ensure we remain aligned with the wider work across the North.
- 6.2 New technology will help us to evolve the customer proposition. The approach the programme takes will need to be flexible enough to accommodate further advancements in technology.
- 6.3 The Bus Services Bill (published in May 2016) provides the basis for a new legislative framework for buses and includes proposals for open data and for the elected Mayor to be able to set fares. The proposals outlined in this report are compatible with the approach set out in the Bus

Services Bill although it should be noted that the Bill is still in the very early stages of passing through Parliament.

7. INCREMENTAL DELIVERY

- From Mid 2017:
 - Commence launch of Metrolink and multi-modal (bus and trams) Smart Ticketing on Smart card (period products).
- During 2017 and 2018:
 - Development of systems to support contactless account based capability.
- By Early 2019:
 - Public launch of contactless payment for travel on Metrolink.
- Late 2019:
 - Expansion of the contactless customer propositions.
- During 2020:
 - Further extension of contactless card system to firstly the bus network (subject to enactment of the Bus Services Bill), and secondly support for multi-modal season tickets.
- From 2021 onwards:
 - Account Based solution fully implemented with loyalty initiatives.

8. RECOMMENDATIONS

8.1 Members of the LEP are requested to:

- (i) support TfGM's plans to extend the availability and range of Smart Ticketing to Metrolink and multi-modal on Smart cards;
- (ii) note the activity underway and the proposed delivery timescales, to develop a business case for a future 'contactless account based' payment service; and
- (iii) note TfGM's ongoing participation in Transport for the North's (TfN) development of a Smart Ticketing/account based proposition that facilitates easier connections across the North of England.

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