

REPORT TO: PLANNING & TRANSPORT COMMITTEE - 8 SEPTEMBER 2008

**REPORT ON: INTEGRATED TICKETING: "A STRATEGY FOR SCOTLAND"
CONSULTATION DOCUMENT**

REPORT BY: DIRECTOR OF PLANNING & TRANSPORTATION

REPORT NO: 392-2008

1 PURPOSE OF REPORT

- 1.1 This report outlines the purpose, content and proposals contained within Transport Scotland's Integrated Ticketing Consultation document "A Strategy for Scotland".

2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the purpose, content and proposals contained within the consultation and endorse Dundee City Council's response contained within Appendix 1.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising as a result of this report.

4 BACKGROUND

- 4.1 In mid May 2008 Transport Scotland published a consultation paper on Integrated Ticketing: "A Strategy for Scotland" and it poses 23 questions to be submitted by the end of June 2008.

- 4.2 The Consultation paper is available on Transport Scotland's website at:

<http://www.transportsctland.gov.uk/reports/consultations-papers-and-responses/j9651-01.html>.

- 4.3 The Consultation paper's purpose is to set out options for a framework to introduce a range of new smartcard-based Integrated Ticketing products across Scotland, on buses, trains and ferries. It sets out some of the key challenges, such as costs, pricing, marketing and administration of Integrated Ticketing. The Strategy envisages that Integrated Ticketing can only be delivered and achieved through partnership working between the Scottish Government, transport operators, Local Authorities and Regional Transport Partnerships (RTP).

- 4.4 The consultation paper sets out the policy context which highlights the importance of an Integrated Ticketing scheme to improving Public Transport in Scotland. The strategy identifies the key policies aims in the Scottish Governments Manifesto and the National Transport Strategy, and recognises that there are current and new systems in place that could be used to support a fully Integrated Ticketing scheme. The strategy will bring together some of the key aims for Public Transport integration so that these can be taken forward into an implementation strategy jointly with transport operators, local authorities and RTP's.

- 4.5 The paper identifies the main issues that affect the travelling public, transport operators and transport planners/managers. These issues include:

- fare Levels;
- seamless travel;
- new and more flexible ticket types;
- constraint to commercial freedom and implications under Competition law; and
- administration costs.

4.6 From the issues and understanding the practicalities of introducing an Integrated Ticketing scheme in a deregulated bus and rail market the Strategy document has set out formal objectives for the development of an Integrated Ticketing scheme in Scotland. The formal objectives are:

- a national framework for Integrated Ticketing must enable us to develop methods of payment for travel which make it easy to travel by any mode of Public Transport;
- Integrated Ticketing should be a key element of marketing the transport network to people who may not otherwise use it;
- any Integrated Ticketing products should be affordable even if this raises issues whilst markets are being grown;
- the Integrated Ticketing system should be simple and cost effective to administer for all stakeholders; and
- the Integrated Ticketing Strategy should be multi-modal, encompassing at the very least bus, coach, rail and ferry.

4.7 The strategy has identified 3 "integrated ticket packages" that are to be considered for Scotland. These are:

- stored value/stored travel rights/pay as you go (ie e-purse);
- area-based period tickets (eg Zonocard/One Ticket); and
- local travel add-ons to long distance tickets (Plus Bus or Through tickets).

4.8 Appendix 1 contains Dundee City Councils response to the 23 questions that have been raised by Transport Scotland. Dundee City Council are broadly supportive of the principle of developing Integrated Ticketing throughout Scotland.

5 POLICY IMPLICATIONS

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Head of Finance and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 There are no background papers of relevance to this report.

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APPENDIX 1

INTEGRATED TICKETING (A STRATEGY FOR SCOTLAND) CONSULTATION RESPONSE

Q1 Is there an emerging consensus that integrated ticketing is an integral part of the development of our Public Transport System?

DCC Response

Dundee City Council strongly supports the introduction of integrated ticketing as these schemes have been successfully introduced in other European countries and more recently in London with the Oyster Card. Integrated ticketing can bring significant benefits to Public Transport users which include lower fares, multi-modal travel, reduce boarding times and better journey time reliability. The Oyster card is an e-purse type system that allows small value transactions undertaken through a tap and go system and DCC through its involvement in the National Entitlement Card Scheme is investigating and possibly trialling such an e-purse system (sQuids) in Dundee. This system could be used as a platform to deliver an integrated ticketing scheme and should be considered by this strategy. It is also important that other key elements of Public Transport are not ignored as high quality vehicles, information, infrastructure and better reliability are essential to ensure that the PT network is attractive to the user.

Q2 Which Level (and why) regional or national - is the most appropriate to set the policy and provide the framework for implementation?

DCC Response

It is considered that it is most appropriate to set policy for an integrated ticketing scheme at a national level, and that the framework for implementation should be either on a national or regional level. This is to ensure that there is some degree of consistency throughout Scotland or region in the delivery and implementation of an Integrated ticketing scheme. It must be emphasised that Local Authorities and Regional Transport Partnerships would still have to be involved in the development and possible delivery of any integrated ticketing scheme.

Q3 Given the need for Transparency and possible constraints from financial regulations who is best placed to deliver the back office (administrative) element of integrated Ticketing?

- **Transport Scotland - (utilising the back office already in use for the managing the national concessionary travel schemes) ?**
- **Or is it better led by a bank or some form of joint venture or independent company?**

DCC Response

The consultation document indicates that the back office system associated with an integrated ticketing scheme will be expensive and that Transport Scotland are best placed to undertake this due their experience managing the Concessionary Travel

Scheme. It may be the case the Transport Scotland are the most suitable to undertake this back office work, however it is important that other efficient and cost effective organisations are not excluded or considered for undertaking this work as any back office system must be acceptable to all stakeholders especially the transport providers.

Q4 Should we seek to develop a brand identity for integrated tickets or for interlinked transport (or both)?

DCC Response

DCC considers that Brand identity for integrated tickets and interlinked transport should be developed as this assists in developing an integrated transport system. Given a deregulated bus industry brand identity across different operators and modes may be difficult to achieve but it is worth pursuing and is supported.

Q5 To what extent do you believe the Scottish public transport network is currently integrated?

- **Not at all**
- **Only Partly**
- **Full integrated**

DCC Response

It is considered that currently within Scotland the Public Transport Network is only integrated in a very limited way. The lack of integration is primarily due to the bus and rail industry being operated by private companies where commercial issues dominate the need for transport integration.

Q6 To achieve meaningful impact of any new integrated ticketing initiatives do we also need to standardise our approach to public transport information and infrastructure provision at a national level.

DCC Response

DCC considers that it is important that public transport information and infrastructure should be standardised to assist in delivering a high quality Public Transport Network throughout Scotland. However given the variations of information/infrastructure quality and provision that currently exists between different areas of the country it seems that national standardisation would be fraught with difficulties and could result with significant cost. It may be more appropriate for Transport Scotland to set minimum standards or guidelines and this would allow for Regional/Local variations where high quality information/infrastructure is currently provided. Local Authorities have a statutory duty to produce a Public Transport Information Strategy and therefore any national approach would have to consider this duty. The emergence of Regional Transport Partnership's have also got to be considered as for example, TACTRAN have been developing a regional travel information strategy which aims to have minimum standards and aspirational aims to guide Local Authorities in information provision through out the TACTRAN area.

Q7 Do you agree with the issues identified?DCC Response

DCC generally agrees with the issues that are stated in the Consultation document.

Q8 How important do you consider integrated ticketing to be in terms of all the things needing to be done to increase public transport use?DCC Response

Integrated ticketing is an important element in providing an integrated transport system as it sends the correct message to users that the Public Transport network performs as a single coherent entity and that seamless journeys are made through the entire network. There are other aspects of Public Transport that have to be tackled to ensure that public transport usage can be increased. The cost of fares, high quality vehicles, information, infrastructure, improved journey times and reliability, service frequency, enhanced security, better integration between modes are all aspects that have an impact on the attractiveness of Public Transport and cannot be disregarded.

Q9 Should we simply integrate and further promote existing schemes?DCC Response

The strategy should not just consider the promotion of existing schemes as it is important to look at best practice from the UK and from further a field. The National Entitlement Card is such a scheme that should be considered as a platform for integrated ticketing.

Q10 Which of the issues do you think is the most important?DCC Response

The most important issues are the ones that are directly associated with the Public Transport User. An Integrated ticket should give the PT user lower fares, seamless travel (across all modes) and be very flexible. An integrated ticketing scheme must be attractive to the current user and possible future users otherwise it will be seen to have failed.

Q11 Which of the issues above do you think is the least important?DCC Response

The legal issues relating to competition law and administrative costs are still important although they should not dominate the development of any integrated ticketing scheme. Where legislation changes are required these should be considered to support any scheme.

Q12 Do you agree with the objectives ?DCC Response

DCC generally agrees with the objectives that are stated in the Consultation document.

Q13 Which objective would you place first?DCC Response

DCC considers that all the stated objectives should be treated equally as all are important in the development and delivery of an integrated ticketing scheme.

Q14 Which objective would you place last?

DCC considers that all the stated objectives should be treated equally as all are important in the development and delivery of an integrated ticketing scheme.

Q15 Do you feel any of the objectives are unachievable?DCC Response

DCC considers that the objectives are realistic and achievable as long as there is strong commitment from all stakeholders to deliver an integrated ticketing scheme.

Q16 Which of these forms of integrated ticketing appeals most to you?DCC Response

It is considered that each and every form of integrated ticketing scheme should be assessed against the overall objectives that have been set for the strategy. However DCC would prefer a scheme that is based on a stored value (e-purse) system with the possibility linking it to the National Entitlement Card which Local Authorities are pursuing.

Q17 How important are the fare reductions in established integrated ticketing?DCC Response

Fare reductions are critically important in the establishment of an integrated ticket scheme as it would be one of the main aspects that can be used in attracting people on to Public Transport. It must be seen that purchasing an integrated ticket will be cheaper than buying individual tickets from different operators across different modes. The cost of travel is a fundamental aspect of transportation and any integrated ticketing scheme would have to be very competitive with other forms of transport particularly the car. However the fare element is not the only benefit that will encourage modal shift, confidence in an easy to understand system will also attract new users.

Q18 What other options would you like to see included in the ticketing portfolio?DCC Response

DCC considers that integrated ticketing is only one element of an integrated transport system and therefore should not be considered in isolation of other aspects of Public Transport.

Q19 Are all these actions achievable?DCC Response

DCC considers that the actions are realistic and achievable as long as there is strong commitment from all stakeholders to deliver an integrated ticketing scheme.

Q20 Is the strategy likely to provide value for money?DCC Response

The strategy will have to balance the benefits against the costs of any integrated ticketing that is to be implemented. Given that integrated ticketing schemes elsewhere have been successful and seem to be providing benefits to both passengers and operators the strategy should be able to provide value for money.

Q21 What role might the local authorities or Regional Transport Partnerships play in delivering and funding of this strategy?DCC Response

Local Authorities and Regional Transport Partnerships will be key to the success of any integrated ticketing scheme as they are responsible for certain aspects of policy and delivery of Transportation projects. Local Authorities such as Dundee City Council work with bus operators through Quality Partnerships and Bus Punctuality Improvement Partnerships to improve Public Transport for users. Local Authorities have statutory duties and are also responsible for Public Transport Infrastructure and provide support to bus services through subsidies. The emergence of RTP's have brought a regional dimension to transport and through the Regional Transport Strategy and their delivery plans, integrated ticketing and other transport interventions/ actions covering all modes have been identified to improve Transport in each of the RTP areas.

Q22 Do operators feel this would create over-reliance funding?DCC Response

Although DCC cannot answer this question as it is directed at operators it is unclear at this stage that government funding will be required to support an integrated ticketing scheme although it is anticipated it may be necessary.

Q23 Given the likely costs involved, is integrated ticketing an objective worth pursuing?

DCC Response

The financial costs of implementing a scheme cannot be ignored but it is critically important that given the current climate of global warming and high energy/fuel prices it maybe far more costly to do nothing. A fully integrated and efficient transport network could contribute to reducing emissions and oil consumption and therefore an integrated ticketing scheme is crucial.

An integrated ticketing scheme is only one aspect of a quality Public Transport Network and it is important that other key elements of Public Transport are not ignored as high quality vehicles, information, infrastructure and better reliability are essential to ensure that PT network is attractive to the user.