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## **Decision Session – Executive Member for City Strategy**

**11 May 2010**

Report of the Director of City Strategy

### **An update on the progress made toward the introduction of integrated bus ticketing and the ‘Yorcard’ scheme**

#### **Summary**

1. This report gives an update on the current position concerning the introduction of an integrated ticket for York and regional progress on the delivery of ‘Yorcard’.

#### **Recommendations**

2. The Executive Member is asked to note the contents of this report:
  - 1) Support the continuation of work to support the introduction of both integrated and smart ticketing for bus passengers in York and specifically through work being undertaken as part of the Yorcard scheme.
  - 2) Agree to surveys being conducted to identify the demand for a multi-operator bus ticket alongside a citizens’ panel survey.

Reason: Both integrated and smart ticketing will encourage greater bus use and will make bus travel more affordable.

#### **Integrated ticketing**

3. Approximately seventy percent of the local bus network in York is operated by First West and North Yorkshire with the remainder of services being operated by Transdev (Transdev York & Yorkshire Coastliner), Arriva Yorkshire, EYMS, York Pullman and a handful of smaller operators linking York to parts of North Yorkshire.
4. A motion was presented to Full Council on 29 November 2007 requesting that officers explore the means by which an integrated cross-city bus ticket could be introduced for York.
5. A report was subsequently presented to the Executive on 9 September 2008 outlining the means by which the Council could, working in partnership with the bus operators, introduce a multi-operator ticket.
6. The expectation of most proponents of an ‘integrated’ ticket is that it would be similar to the Leeds ‘Metrocard’ or London ‘Travel-card’; accepted on all buses

in the City. Alternatives to this option, which would be easier and cheaper to introduce, do exist in the form of 'through tickets', 'add-ons' or 'inter-available tickets' which would, for instance, allow a bus passenger to travel with one ticket to make the following journeys:

- Broadway, Fulford to York Hospital
  - Skelton to Monks Cross
  - Wheldrake to Clifton Moor
7. Any of the integrated tickets described above could be delivered through one of the following:
    - a. A paper based ticketing product purchased on-bus
    - b. A card/paper based ticketing product purchased off-bus
    - c. A 'smart' card ticketing product purchased off bus and verified on-bus
  8. The cost of each of the above would vary, with a) costing the least and c) costing the most, both in terms of issuing and management costs. The report of September 2008 forecast that the estimated cost of introducing a 'smart' ticket for York would be likely to be in the region of £2.7m in year 1.
  9. In the short term, the introduction of a paper based selection of 'add on' tickets or a multi-operator ticket is thought to be the most economically viable way forward.
  10. The most difficult barrier to introducing any form of integrated ticketing product is in gaining agreement from the bus operators who fear that such a product might damage their revenue flow and hence potentially de-stabilise the commercial viability of certain routes.
  11. If introduced correctly, evidence from other parts of the UK has demonstrated that an integrated ticketing product has the potential to grow the overall bus patronage market and would make cross-city bus travel a more attractive option.
  12. The Executive meeting of September 2008 resolved that whilst an integrated ticket was not necessarily deliverable for the whole of York in the short term, officers were requested to pursue the idea of establishing a cross ticketing regime on key high usage corridors serving destinations such as the Hospital and the University

### **Progress**

13. A review of the origin and destination data gathered by Council bus monitoring staff on the tendered bus network was undertaken in 2009. The analysis suggested that the numbers of fare paying passengers using bus services provided by more than one operator were low. It should be noted, however, that the tendered bus network accounts for little more than fifteen percent of the total bus mileage operated in the York area and that a more comprehensive understanding of the commercial bus network was required.

14. Under the banner of York's Quality Bus Partnership, a ticketing workshop was held with all of York's bus operators on 23 March 2010 to establish how an integrated ticketing product might be introduced and what it would look like.
15. All of the bus operators were broadly supportive of the introduction of an integrated ticket. Several, however, questioned whether the Council had sufficient evidence to support the cost of introduction<sup>1</sup>. Bus operators therefore agreed at the meeting on 23 March to work with Council officers to conduct a more wide-reaching survey of the commercial bus services in York (80%+ of the total network). In addition, a survey of both bus and non-bus users will be conducted through the Council's 'Talkabout' citizen's panel to understand what 'latent' demand for integrated ticketing there might be. It is estimated that the cost of the surveys will be approximately £5,000.
16. Both surveys will be undertaken during May/June with the results being reported back to the Summer meeting of the Quality Bus Partnership. A decision will then be taken on which form of integrated ticket (or tickets) would best fit demand.
17. Given the potential cost of the introduction of an integrated ticketing product, it is still unlikely that such a product would be affordable for the Council, unless financial support from local bus operators is forthcoming.
18. In addition to wider integrated ticketing initiatives, Council officers have been working with a number of bus operators to introduce inter-available ticketing with implications for the following services:
  - a. Routes 36 (York Pullman), 195 & 196 (EYMS). Due to the relatively infrequent level of service from the village, officers are working with the two bus operators to allow passengers boarding either bus in Elvington to use the return portion on either bus on return.
  - b. Route 10, Poppleton to Stamford Bridge (via York). This service is operated on a commercial basis by First Group during the daytime and on a commercial basis by York Pullman in the evening. Officers are working with bus operators to encourage the introduction of a 'Pullman return', which would be cheaper than the cost of purchasing two single tickets.

## **Yorcard**

19. Yorcard, as a concept and brand, is the property of South and West Yorkshire Passenger Transport Executives (PTEs)
20. Yorcard is a smart ticketing product, which will be designed and will operate in accordance with agreed national standards (known as ITSO). All of the smartcards issued as part of the Yorcard scheme will be ITSO compliant and will be useable in other areas of the country where ITSO compliant or compatible smart card ticketing has been introduced.

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<sup>1</sup> The estimated set up cost of a paper-based product is comparatively low at £187,000 but would require a first year overall budget of £343,000 when revenue and pilot scheme costs are taken into account.

21. Any ITSO-compliant smart card system requires a back-office 'HOPS' (Host Operator Processing System) system. The Yorcard HOPS is currently in the process of being built.
22. There are currently no, working, ITSO compliant or compatible smart ticketing products available anywhere in the Yorkshire region. All of the English National Concessionary Travel Scheme (ENCTS) bus passes issued since April 2008 are to ITSO standard, however. Once Yorcard has been introduced, any bus with an ITSO compliant ticket machine will be able to identify the pass.

### ***Yorcard trial***

23. The South Yorkshire PTE undertook an initial trial of the Yorcard, commencing in 2008 and lasting for a year. The trial was rolled out on seven local bus services in Sheffield and one rail service (Doncaster to Sheffield) with the aim of producing a working concept, which could then be expanded into a region-wide, interoperable, integrated ticket.
24. The trial was brought to an end having proven that the smart technology worked, but that there was still a certain amount of work to be done before the product was to be rolled out across either of the two PTE areas or more widely.
25. Council officers visited the trial scheme in August 2009 to understand how the product worked and to express York's interest in being a part of any further expansion or roll out of the scheme. A meeting was subsequently convened by WYPTE and SYPTE with all of the regional non-PTE authorities (including City of York) in November 2009 to confirm that the PTEs would be keen to launch Yorcard on a regional basis.
26. SYPTE and WYPTE would assist with the technological aspects of launching Yorcard, allowing neighbouring authorities to 'buy in' to the necessary back-office infrastructure. It would, however, be the responsibility of the local authority to come to agreement with bus operators as to how their buses would be fitted with the necessary technology. Furthermore, it would be the responsibility of the local authority to work with bus operators to develop any form of single or multi-operator bus pass for their area.

### ***Funding***

27. In December 2009, the Department for Transport ('DfT') announced that the six PTEs and a further three Local Authorities (Bristol, Nottingham with Nottinghamshire & Leicester with Leicestershire) would be able to make applications to receive funding from a fund of £20m to support the implementation of smart ticketing. A maximum sum of £4.4m to be spent in 2009/10 and 2010/11 was made available for SYPTE and WYPTE.
28. The funding was targeted specifically at the major urban areas to ensure that funding is used to provide infrastructure that can deliver the most benefit as quickly as possible. The DfT anticipates that by 2012, the Yorkshire and Humber will have a region-wide smart card and that by 2020, smart cards will be available nationwide.

29. The SYPTE and WYPTE application to DfT for funding splits the proposed delivery of Yorcard into two phases. Funding for the first phase has been confirmed and will deliver a back office platform to enable the following
  - ENCTS (concessionary ticketing) reimbursement
  - Multi-operator ticketing
30. An ITSO HOPS for the Yorkshire region has been purchased and is expected to be available for use from Summer 2010.
31. The budget also allows for the development of ITSO-compatible equipment which could be purchased by smaller bus operators across the region.
32. As confirmed at the meeting of 24 November, the back-office HOPS will be made available to authorities outside the PTE areas for a fee (yet to be determined by SYPTE and WYPTE).
33. In addition to the contribution City of York Council would have to make to the Yorcard HOPS, it would also be responsible for funding and marketing any local ticketing initiatives it wished to introduce.
34. Funding for the second phase of Yorcard is pending but may be subject to a post-election review. The second phase of the scheme will facilitate the introduction of a 'pay-as-you go' function.
35. In addition to the Yorcard scheme, First Group is working toward the introduction of a company specific back office framework. This will enable the company to sell First-specific smart ticketing products.
36. The Council has been advised that First's buses in York are likely to be fitted with such machines no later than 2012.

### **Consultation**

37. Ongoing discussions have been held with both South and West Yorkshire PTEs as well as with First Group to best understand how York will become smart. This should start to happen no later than 2012.
38. Progress is being made toward the introduction of one or several integrated bus ticketing products, which could be used on all bus services in York.
39. The non-ruling groups' spokespersons have been consulted over the options presented in this report. No responses had been received at the time that this report was published.

### **Corporate Objectives**

40. These proposals relate to the following Council's corporate priorities and objectives:
  - a. Sustainable City. Both integrated ticketing and Yorcard will encourage modal shift away from private car journeys.

- b. Safer City. The introduction of smart ticketing will reduce the amounts of cash carried on bus and by members of the public. Further, an integrated ticket would reduce the length of passenger waiting time at bus stops as they could board the first bus that arrived rather than waiting for the company that they have a ticket for.
- c. Inclusive City. Integrated ticketing enables individuals to board any bus rather than restricting them to the use of certain buses. The introduction of Yorcard will provide the travelling public with a wider range of ticketing possibilities.

## Implications

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- **Financial** – The £5,000 required to conduct surveys to establish demand for a multi-operator ticket has been identified from within the existing budget. No further commitment for funding is required at this stage.
- **Human Resources (HR)** - none
- **Equalities** - none
- **Legal** - none
- **Crime and Disorder** - none
- **Information Technology (IT)** - None at this stage and it is unlikely that CYC IT would be impacted by the introduction of the Yorcard scheme.
- **Property** - none

## Risk Management

- 42. A modest risk to the reputation of the Council has been identified should the Yorcard project fail. The project is set in a regional context, however, so it is likely that any impact would be more likely to be experienced at this, higher level.
- 43. The above risk and any other potential risks associated with the introduction of the Yorcard have been measured in terms of impact and likelihood using the Council's risk management system. The risk score for the recommendation is less than 16 and thus, in line with the risk management system, at this point the risks need only to be monitored, as they do not provide a real threat to the achievement of the objectives of this report.

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All

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