

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
COMMITTEE**

DATE: 28 January 2022

REPORT TITLE: ON BUS 'TAP ON/ TAP OFF' PROJECT

**DIRECTOR: KATHRYN VOWLES INTERIM DIRECTOR OF
INFRASTRUCTURE**

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Purpose of Report

- 1 The report updates members on development the On Bus Tap on Tap off project and seeks approval of the Full Business Case.

Impact of Covid-19 pandemic

The Combined Authority has actively reviewed its key activities and work programme to reflect changing priorities as a result of the Covid-19 pandemic. Specific issues relating to the Covid-19 situation that impact on or are addressed through this report are as follows:

- Proposals that will assist residents in seeking employment
- Proposals that will contribute positively to economic recovery, resilience, and growth
- Proposals that support the principles of clean and inclusive growth

Recommendation

- To approve the Full Business case for the 'On bus tap on/tap off project' and related financial allocations subject to funding from North Somerset Council.

Background / Issues for Consideration

- 2.1 In 2019 a new way forward to smarter payments and integrated ticketing was

agreed in order to deliver the West of England vision:

‘To provide a simple and consistent payment and ticketing experience across all modes of public transport’

- 2.2 Whilst 98% of all registered buses in the West of England area can now accept contactless bank payments as an alternative to cash – London style fare capping cannot be delivered without widescale adoption of ‘Tap out’ readers to capture residents alighting point. Commercial bus fares in the West of England are a mix of flat, distance-based, and multi-operator fares – as such the addition of ‘Tap out’ technology is essential to ensure customers are charged the correct fare for their journey and in order to introduce single and multi-operator fare capping.
- 2.3 The main objectives of the project are to deliver on the requirements for Pay as You Go travel on buses, with common tickets, passes, and capping available on all services irrespective of operator, as set out in the National Bus Strategy (NBS) and Bus Service Improvement Plan (BSIP) guidance. The recent West of England BSIP and CRSTS submissions include a commitment to the delivery of contactless bank Pay As You Go travel with the initial rollout of phase 1 individual operator tap on tap off and capping is included as a quick win that, subject to funding availability, could be enabled on the majority of vehicles in 2022.
- 2.4 Tap on tap off with capping will allow the fare paid each day, for a single or multiple bus journeys, to be capped at a best fare price irrespective of whether the passenger uses the of services from a single bus operator or multiple bus operators, in addition, assist in integrating the services from the various operators into a cohesive network in which passengers can board and exit buses without a concern that it is the wrong operator, or they have the wrong ticket.
- 2.5 The project will be delivered in 2 phases –

Phase 1:

What will be delivered:	Individual operator contactless tap on tap off (bank card/ applepay/ googlepay, with fare capping for adult tickets, on all buses in the West of England
Timescales	Throughout 2022 on an operator-by-operator basis
Additional:	<ul style="list-style-type: none"> - FirstBus have confirmed ability to be live with capping on all vehicles by September 2022 - Stagecoach and the suppliers for smaller operators have confirmed their ability to support the delivery of capping in line with the project timescales - The outline timescales are subject to funding approval and supplier lead times, - Work will continue with operators and suppliers to advance timescales where possible

Phase 2:

What will be delivered:	Development of multi operator contactless tap on tap off (bank card/ applepay/ googlepay), with fare capping for adult tickets, through core national systems as set out in the National Bus Strategy when available
Timescales:	2023/24
Additional:	<ul style="list-style-type: none">- A national approach has been set out in the NBS with details likely in early 2022- Small scale pilot implementations are planned for Leicester; York; and Bournemouth in the first half of 2022- Ability to progress at pace is dependent on DfT confirmation of the national approach, core system development, and the readiness of the West of England multi operator scheme to proceed

2.6 The project is estimated to produce a BCR of **3.30**. This is classified as **High** value for money with a Present Value of Benefits (PVB) of £6.2m, Present Value of Costs (PVC) of £1.9M and Net Present Value (NPV) of £4.4m in 2010 prices.

2.7 Details on project costs and funding are below:

Total project cost: £2.07m

Phase 1 – readers/individual operator capping = £1.27m

- £1.2m Transforming Cities Fund
- £70k North Somerset Council

Phase 2 – multi operator capping development = £0.8m

- £800k – City Region Sustainable Transport Settlement (CRSTS)

Consultation

3 *Please state any consultation that has taken place with regard to this report.*

3.1 Stakeholder engagement has taken place both through the development of the West of England Bus Service Improvement Plan (BSIP) and in the development of the business case.

3.2 Additional engagement has also taken to learn lessons from a similar project delivered by in Leicester – who are now live with tap on tap off on bus operators including Firstbus.

Other Options Considered

4 *Please state any other options considered, and why they have not been put forward as a recommendation.*

4.1 Do nothing – not recommended

This would not deliver on the requirements of the National Bus Strategy, to deliver contactless capped payments, or on the ticketing vision of West of England area and the aim to deliver 'London style' ticketing and payments.

4.2 Develop a local ITSO card-based solution – Not recommended

These solutions will still be developed but for those markets which will not be able to make use of Contactless technology – concessionary, scholars, seasons and transferrable carnets. However, they are not the route of choice for commercial operators and multi-operator tickets due the cost required in the retail end and limited functionality compared to more recent developments.

4.3 Individual Operator approach – not recommended

Operators to develop automated contactless capping and pay as you go systems independently with no public sector support. This will lead to larger operators developing systems with bespoke rules that do not support the development of a universal customer offer and the expansion to multi-operator capping/best value ticketing. Discussions with operators have shown that the majority of operators will not be able to deliver this technology without subsidy/support due to the capital costs involved.

4.4 In house multi operator capping system – not recommended

- Schemes such as in Leicester have been able to develop existing in house systems to trial this functionality – this is not an option for the West of England as comparable systems are not in place and would be cost prohibitive to develop and the development of a national multi-operator/brokerage system has been set out in the National Bus Strategy and authorities have been advised not to invest in their own systems as use of the national systems will remove duplication of effort and reduce costs.

4.5 Procure equipment and lease to operators – not recommended

Consideration was given to whether the West of England could procure the equipment and lease to operators. This option was not considered desirable as it would slow the delivery of the project and not offer VfM. A direct grant to operators with suitable conditions was considered the most appropriate option as this enabled operators to work with existing suppliers to deliver at pace – this also matches the approach used in other areas such as Leicester.

Risk Management/Assessment

5 *Please identify the key risks the recommendations will address, and any risks associated with implementation of the recommendations of this report.*

The recommendations of this report address the risk of not delivering against the National Bus Strategy and local requirements to deliver modern ‘London style’ contactless public transport ticketing and payments, that create a more attractive, easily accessible, and value for money bus network.

The key risks identified for this project are:

<i>Risk</i>	<i>Mitigation</i>
That the delivery and install of tap on tap off technology is delayed due to availability of stock from suppliers	- <i>Seek FBC and funding for phase 1 at the earliest phase to enable operators to procure kit as early as possible</i>
That inconsistent customer offers, and technologies are implemented	- Ensure that consistent requirements are included as grant payment conditions
That there are delays in specifying and delivering the national multi operator core systems	- Engage with partners including the DfT, other regions, and bus operator delivery groups so that systems are developed in line with expectation

Public Sector Equality Duties

6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

6.1 The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.

6.3 *Please state any equalities implications in relation to this report.*

The introduction of contactless bank tap on tap off payments, ensuring that this method is available on all commercial buses in the West of England Area, will reduce barriers to travel through simplifying ticketing and payments.

Improvements to bus services also enhance access to travel and employment opportunities for those without access to a car and also makes these journeys more reliable.

Tap on tap off and care capping particularly assists the following groups:

- Those who have difficulties understanding the discrete ticketing options available to purchase prior to travel.
- Those with language difficulties unable to fully converse with the bus driver.
- Those unable to use cash for various physical or mental capacity reasons.
- Those who feel unsafe carrying cash.
- Those who undertake complex travel patterns throughout a day or week and on low-incomes, often using different bus operators – provides 'best fare' value.
- Assists those in prioritised groups to access work, education and health facilities through speeding journey times

Finance Implications, including economic impact assessment where appropriate:

7 Please state any financial implications arising as a result of this report.

A Full Business case has been created for the project to deliver in 2 phases. Phase 1 will install readers and deliver individual operator capping for adult tickets in the first instance – will seek £1.2m from the integrated ticketing allocation of the Transforming Cities Fund (TCF) with an additional £70k contribution from North Somerset Council. Phase 2 will develop multi operator capping through £800k of funding from the regions CRSTS award.

Grant funding levels are to be based on current market rates for suitable equipment and benchmarked against grants from similar schemes such as in Leicester.

Advice given by: Malcolm Coe, Director of Investment and Corporate Services

Legal Implications:

8 Please state any legal implications arising as a result of this report.

There are no legal implications identified resulting from this project.

As identified in the report – operators receiving support will enter into a grant agreement. Operators will be required to maintain equipment and continue to offer contactless bank tap on tap off for a period of 5 years. The precise arrangement for the grant payment will need to be drawn up by officers in consultation with Legal. Any arrangement will be state aid compliant.

Advice given by: Shahzia Daya, Director of Legal Services

Climate Change Implications

- 9 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- * The emission of climate changing gases

The project will result in a reduction in dwell times, as a result of faster boarding, as well as quicker/more reliable journey times – both of which will reduce emissions both at stop and the journey as a whole

- * The region's resilience to the effects of climate change?

The project will assist in the region through creating a more efficient transport network helping to lower bus journey emissions and air pollution at bus stops.

- * Consumption of non-renewable resources?

The project will result in a reduction in fuel used by operators – as a result of reduced journey times.

- * Pollution to land, water or air?

The project will result in a reduction in air pollution – as a result of reduced bus stop dwell times and reduced overall journey times.

Land/property Implications

- 10 None arising from this report.

Human Resources Implications:

- 11.1 Suitable resources project management resource will be required to deliver the project and this will require a mix of skills consistent with the complexity of the project. It is anticipated that the current project manager/lead officer developing the project will continue in this roll for the delivery phase.
- 11.2 Further project support may be required for phase 2 however any requirement will be developed over the term of the project as resourcing needs become clearer.

Advice given by: Alex Holly, Head of People and Assets

Appendices:

Appendix 1 – On bus Tap on Tap off Full Business Case

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird on 07436 600313; or by writing to West of England Combined Authority, 3 Rivergate, Temple Quay, Bristol BS1 6EW; email: democratic.services@westofengland-ca.gov.uk