

**West of England Partnership  
Joint Transport Executive Committee  
4 February 2010**

## **Developing ITSO Smartcard use in the West of England area and the South West Region**

### **Purpose of Report**

1. To inform the Committee of the Department for Transport's (DfT) notification of the availability of funding to develop an Integrated Transport Smartcard Organisation (ITSO) standard smartcard scheme in the West of England area and to outline the work required to secure this funding.

### **Background**

2. The 'All England' Concessionary Travel Scheme introduced in April 2008 utilises smart cards and provides a basis for wider smart card roll out in the transport industry and beyond. Fundamental to smart card operation is an ITSO back office, the software and hardware known as a Host Operator Processing System (HOPS). To implement the 'All England' scheme, ITSO Services Ltd established a HOPS. This is currently used by most Concessionary Travel Authorities but it was only envisaged as having a limited life. The intention was, and still is, that regional HOPS (which will also accommodate other applications) become established. The ITSO Ltd HOPS will cease operation by 2014; consequently progress needs to be made to establish replacement facilities.
3. In December 2009, the DfT announced that funding would be made available to Bristol (on behalf of the West of England area) for the development of smart ticketing. The funding is intended to support the DfT's Smart and Integrated Ticketing Strategy, which aims to develop smart and integrated ticketing in the major urban areas of England by 2015.
4. The funding has been made available to 'create, or further develop ITSO integrated smart ticketing schemes'. It will also support any commercial ITSO smartcard scheme. There is an expectation that it will provide a basis for regional initiatives. The indicative amount available is £1.1m in 2009/10 and £1.1m in 2010/11, split equally each year between revenue and capital.
5. The DfT requires the submission of a finalised 2009/10 spending plan and an outline 2010/11 spending plan by 29 January 2010. They will then need a finalised 2010/11 spending plan by 26 March 2010. In order to secure the funding available in 2009/10, the Government Office of the South West (GOSW) have advised that it will be necessary to have a contract in place with an ITSO accredited HOPS supplier by 31 March 2010. These timescales are very challenging.

## **Progress to Date**

### Back office

6. The South West Smartcard Board comprising GOSW, councils, operators and passenger interests, was established to drive forward the delivery of a HOPS for the South West Region. The focus of the Board has been to work up a bid for funding to the DfT, under the formerly proposed funding competition. Over the last 18 months the Board has been working on developing a detailed specification for a regional ITSO HOPS.
7. Concurrently South Gloucestershire Council (SGC) has been working on a specification for an ITSO HOPS to support their Travelcard operation, and to extend smartcard usage to leisure and libraries. In connection with this extension they have made a bid for funding under the Department for Work and Pensions' 'Getting Elderly Active' programme.
8. In order to be able to achieve the procurement deadline, South Gloucestershire Council is undertaking the HOPS procurement on behalf of the West of England Partnership authorities based on the specification produced by the South West Board. To this end South Gloucestershire Council has placed the necessary notice in the European Journal. Work on the final specification has been undertaken by Bristol and South Gloucestershire Councils assisted by the Board and their consultants MVA. A verbal update on progress will be provided at the meeting.
9. The model is for the HOPS to be owned and managed as a partnership of the WEP authorities, similar to the arrangement for the Concessionary Travelcard scheme. Arrangements for contracting with other authorities joining the HOPS will also be required.

### Funding Bid

10. At the time of preparing this report the funding bid was being worked on for submission by 29 January 2010. The bid will include proposals for the HOPS together with other smart ticketing infrastructure to be provided in the West of England area, e.g. cards and readers. Further details will be provided at the meeting. It is expected that DfT will make their award announcement early in February.

### **Future Work**

11. The submission of the funding bid and the commencement of the procurement process does not commit the West of England authorities to take the project any further. Following this, work will be undertaken on establishing the governance and management arrangements for the HOPS and on completing the detailed funding submission for 2010/11. Evaluation of the tenders will also be necessary. At this stage a decision will be required on whether or not to commit to the project.

12. Consequently it is proposed that the following be brought to the Committee's meeting on 18 March 2010 for approval:

- Objectives, scope and outcomes of the proposed project
- Proposed governance and project management arrangements
- Finalised 2010/11 spending plan, project budget, possible and eventual costs to the authorities, milestones and risk assessment
- The recommended tender award

### **Recommendation**

13. That the Committee endorses the work undertaken to date and proposed, and receives a further report at the meeting on 18 March 2010.

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