



Board Meeting

Date	20 January 2017
Report title	Contactless Ticketing & Fare Capping
Cabinet Member Portfolio Lead	Councillor Roger Lawrence – Transport
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Report has been considered by	Smart Programme Board, 4 January 2017 WMCA Programme Board, 6 January 2017

Recommendation(s) for action or decision:

The Combined Authority Board is recommended to:

1. Review and agree to the requirements for the development of a roadmap to deliver contactless payment and “best value” capping across all modes, initially in the West Midlands and including a feasibility review for wider rollout throughout the wider Combined Authority area.
2. Agree to commission this work through PA Consulting Services Ltd as recommended by the Smart Programme Board and based on their track record as set out in paragraph 5.5 below.

1.0 Purpose

- 1.1 The purpose of this report is to outline the scope of works, including an estimated timeline, required to produce a detailed roadmap for the delivery of contactless payment and “best value” capping¹ for the West Midlands Combined Authority (WMCA).
- 1.2 This report also seeks to gain approval for the commissioning of this work through PA Consulting Services Limited who are experts within this field having supported the South East Flexible Ticketing (SEFT) initiative and Midlands Connect in its development of the Smart Connectivity work package.

2.0 Background

- 2.1 The WMCA is committed to the delivery of a contactless payment “best value” fare capping solution across all three modes of transport (bus, train and tram) to rival that which has been delivered by Transport for London (TfL).
- 2.2 However, this is a newly emerging and fast moving area where a number of agencies including Transport for the North (TfN) and National Express West Midlands have already announcing their intentions to develop a solution for which WMCA may have an opportunity to share. TfL is also keen to share its established solution with others through its commercial partner Cubic Systems and this also requires more detailed exploration.
- 2.3 Therefore, it is vitally important that the WMCA sets a clear vision that will enable it to begin the successful navigation through these options which may also include the development of its own system. TfWM is seeking to commission a piece of work to develop this vision and undertake the required options review.

3.0 Impact on the Delivery of the Strategic Transport Plan

- 3.1 This work is associated with the Smart Mobility Tier as it will lead to the delivery of an optimum payment solution for transport which will become a fundamental part of the Personal Mobility Platform.

4.0 Wider WMCA Implications

- 4.1 The wider aspirations of the WMCA, including the larger geographic area will form part of the considerations of this work through a detailed feasibility review that set out any differing requirements across the as part of defining the vision and throughout the optioneering. To support this, James Willocks, Transport Commissioning Manager for Shropshire Country Council has joined the Smart Programme Board to represent the non-constituent Authorities.

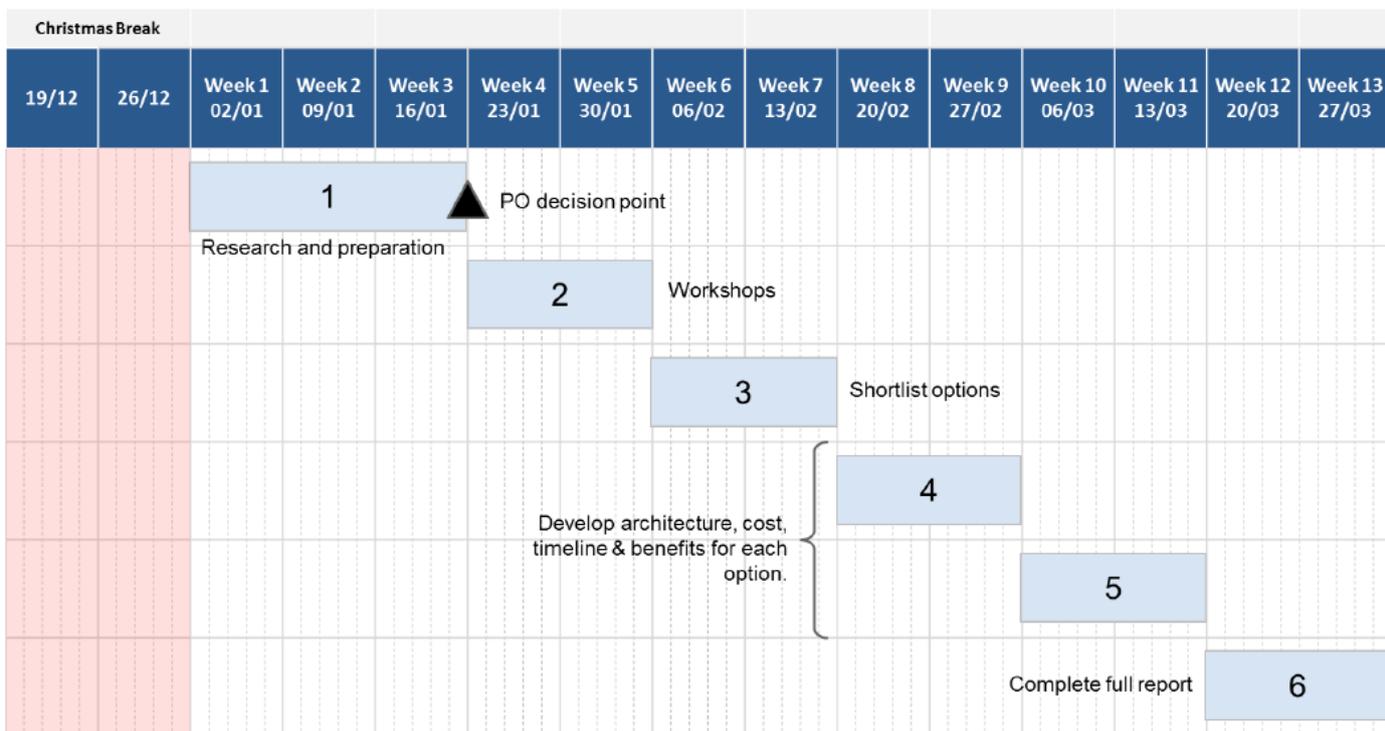
5.0 Roadmap development and PA Consulting Services Limited

- 5.1 TfWM has developed a consultancy brief which has been endorsed by the Smart Programme Board. This brief identifies the following tasks as requirements to be completed in order to analyse the options and develop a comprehensive roadmap:

¹ Capping is the term given to the calculation of appropriate fares to be charged at the end of the day based on the journeys that were undertaken during that day.

- The development and agreement of a vision
- A review of the available back office opportunities including working with TfL
- Detailing the optimum high level architecture
- Developing a delivery timeline
- Setting out an estimation of costs (both capital and revenue)
- Defining the benefits to enable cost-benefit analysis
- Stakeholder mapping
- Risk and issue identification and documentation

5.2 TfWM has worked closely with PA Consulting to develop a timeline for the delivery of these outputs which is set out in the graphic below:



5.3 The phases of this work is represented by the six boxes in the graphic above. Each of these phases will provide the following output:

- Phase 1 – Identification of all the available opportunities to partner with organisations that have declared their intent to deliver a contactless payment solution.
- Phase 2 – The development of a vision including gaining agreement of stakeholders.
- Phase 3 – A detail review of the opportunities measured against the vision with the aim of streamlining to two or three viable options.
- Phase 4 – The development of indicative architecture, delivery costs and a timeline for delivery.
- Phase 5 – Establishing the benefits and key risks associated with each of these viable options to enable high level costs-benefits analysis.
- Phase 6 – The delivery of a full report consolidating all of the work undertaken in the previous five phases and setting out clear recommendations of which option should be taken forward.

- 5.4 The timeline above shows that we expect this work to be concluded by the end of March 2017.
- 5.5 PA Consulting Services Limited are recognised for their expertise in this area and have a track record of successful delivery. PA Consulting Services Limited have also worked closely with Midlands Connect to develop its vision and objectives for Smart Connectivity which includes the desire to deliver a contactless payment solution for the wider region and as such, much of the learning required to support this work has already been achieved through the work with Midlands Connect which is why PA Consulting Services are so confident that they can achieve the tight deadlines set out above.
- 5.6 This work will not only benefit the WMCA but also supports the next steps for Midlands Connect and as such TfWM are in discussions with Midlands Connect with regards to it making a financial contribution towards the costs of this work.

6.0 Financial implications

- 6.1 The fixed cost of the work outlined above is contained within the existing Transport for West Midlands budget and should be complete by the end of the Financial Year. The costs and funding implications of the project's recommendations will need to be considered once the detailed work has been done and a proposed way forward has been agreed.

7.0 Legal implications

- 7.1 Procurement are seeking to ensure that the best solution is sought for the WMCA, a solution which is cost effective and provides the required level of service that meets the current needs. The supplier has been appointed following the direct award route, which is in line with the internal procurement policies. The necessary paperwork has been reviewed by the procurement and legal department, and has been approved according to the schedule of authorisation.

From a legal perspective all necessary legal agreements required to underpin the contractual arrangements will need to be entered into at the appropriate stage.

8.0 Equalities implications

- 7.1 No equality implications envisaged at this stage of the project.

9.0 Schedule of background papers

- 9.1 Smart Ticketing, 19 August 2016, West Midlands Combined Authority.

10.0 Appendices

None.