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**Report of: The Chief Officer**

**Date: 11 June 2009**

**Subject: City Region MetroCard Update**

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## **1.0 Purpose**

1.1 To provide an update regarding city region MetroCard development.

## **2.0 Background**

2.1 Integrated ticketing using smartcard technology was identified in the City Region Transport Vision as a key element of the overall transport strategy to support the functioning of the area as a single economic space.

2.2 The intention was to provide simple, easy-to-use, value-for-money ticketing products that would improve connectivity and generate additional travel on public transport modes. Reduced fares for commuters was not an objective as this could not be achieved without significant public subsidy

2.3 The first step was identified as the extension of the current well known MetroCard ticketing products beyond West Yorkshire to the city region.

2.4 Previous reports to the Leaders Board have set out the issues associated with the introduction of the new product and the negotiations with the bus and train operators. Many of these issues arise in the context of changes to ticketing arrangements and are not issues with the MetroCard product range, which has been a feature of travel in West Yorkshire for many years and is already built into rail franchisee and bus operators business plans.

### Introduction of Zone 6 and Zone 7 Rail Products

2.5 Metro, through discussions with the relevant train operators, achieved the introduction of new rail zonal period tickets for Harrogate (Zone 6) and Skipton (Zone 7) by the advised date of 17<sup>th</sup> May 2009.

2.6 An attractive add-on price of £1.90 per week was achieved despite the lack of financial support from authorities outside West Yorkshire.

2.7 The new Zone 6 and Zone 7 products were promoted and advertised in accordance with the proposals reported to the Leaders meeting held on 30 March 2009 and subsequent discussions at the Transport Panel. Launch events were held at both Skipton and Harrogate in advance of the election purdah period. Examples of promotional material will be provided at the meeting.

2.8 The take-up of the new rail zonal products and impact on train operator revenue will be monitored to ensure that the products meet commercial and well as city region policy objectives.

## Next Steps

- 2.9 Metro has written to the major local bus and rail companies to re-state the Leaders' aspirations for city-region wide ticketing and to formally seek operator commitments, and views of barriers, to achieving this.
- 2.10 Whilst operators recognise this aspiration they have identified a number of obstacles relating to commercial risk and other commercial impacts, the lack of a survey and re-imbursement infrastructure outside West Yorkshire and the relationship to rail season ticket station-to-station products.
- 2.11 Operators have also emphasised the importance of avoiding adverse implications for their commercial activities and the need for robust and accurate re-imbursement. There are also concerns about the current lack of capacity on many rail services and the potential over-crowding and loss of revenue on bus services should there be disruption to rail services.
- 2.12 Operators have also highlighted the role of the West Yorkshire Ticketing Company (TICCO) and the need for appropriate management and governance of an extended product range.
- 2.13 Operators have also highlighted the opportunities that would be provided through smartcard ticketing.
- 2.14 In recognition of these issues, Metro is pursuing the following next steps and associated timescales.
- The extension of Harrogate and Skipton zones to include Knaresborough and Gargrave by January 2010
  - The inclusion of new rail zones to include York, Selby, and Barnsley by January 2010.
  - The inclusion of bus travel within West Yorkshire by summer 2010
  - Bus travel across the city region – timetable to be determined once a programme for smartcard roll-out can be determined.

## The extension of Harrogate and Skipton zones to include Knaresborough and Gargrave

- 2.15 The prices of the recently introduced Zone 6 and Zone 7 rail products was based upon a weekly £1.90 add on to the weekly season ticket price.
- 2.16 Adopting the same general principles to pricing as used for Harrogate and Skipton would mean the creation of a further two zones, with the weekly prices from Knaresborough and Gargrave being £37.80 and £42.50 respectively.
- 2.17 The option for the inclusion of Knaresborough within the current Zone 6 and Gargrave within Zone 7 is being explored with rail operators. However, there would be a need to provide funding, to underwrite any revenue loss, of around £4 per weekly ticket from Knaresborough and £3 from Gargrave. An estimate of total annual funding requirement will be provided at the Leaders' meeting.

## New rail zones to include York, Selby, and Barnsley

- 2.18 Metro is also progressing discussions with the lead relevant train operating companies about including new zones for York, Selby and Barnsley using the model that was adopted for Zone 6 and Zone 7.

## West Yorkshire Bus Add-on

- 2.19 The inclusion of a bus 'add-on' to zonal rail products could be achieved through a negotiated agreement with the West Yorkshire Ticketing Company (TICCO) or through a Ticketing Scheme under the provisions of the Transport Act 2000.

2.20 Bus operators consider that there is already the Plus Bus product in place that would deliver a City Region Travel Card. Plus Bus is an national scheme that can be used in conjunction with rail season tickets. However, the current weekly add-on price for bus travel is around £13 and, possibly as a consequence, very few PlusBus tickets are sold in the City Region Area.

2.21 The broad financial consequences of supporting the price of a bus add-on will be explained at the Leaders' meeting.

#### City Region Wide Rail and Bus MetroCard

2.22 The extension of multi-modal ticketing across the whole of the City Region would require either a resource intensive survey and re-imburement methodology or the widespread adoption of smartcard ticketing. The extension of Metro's current survey and re-imburement methodology, which is partially funded from the MetroCard pool, would cost in the order of £250,000 per annum

2.23 A smartcard ticketing system would provide the usage and audit requirements that are required to support commercial arrangements between participating operators. Smartcard ticketing would also enable the introduction of new products, such as stored value and daily caps (eg maximum fare paid on one day) that would provide customers with the best value fare for their travel needs as well as inter-operable ticketing

2.24 Metro has continued to work with SYPTE on the Yorcard smartcard ticketing pilot in Sheffield, which has demonstrated proof of concept and provided valuable technical and commercial experience.

2.25 The timetable for the roll-out of smartcard ticketing is complicated by the recent Government announcement on the reform of Bus Service Operator Grant, which from 2010 will increase for operators with on-bus smartcard readers and GPS equipment.

2.26 Metro and SYPTE will also be discussing with operators and their respective City Region partners the further development of the major scheme business case required to secure the funding for the roll-out, as endorsed by the Regional Transport Board, the implications of the recent announcements relating to Bus Service Operators Grant and the timescale for rolling out smartcard ticketing.

#### Other Considerations - Rail Zones

2.27 There are significant difficulties in seeking to graft zonal rail products onto a system based upon station-to-station ticketing. The development of new rail zones would be facilitated by the adoption of zonal rail fares across the Leeds City Region and the withdrawal of station-to-station tickets, including rail season tickets. However, Leaders should be aware that this move would create a significant number of losers as well as winners, as illustrated by the example below.

2.28 A revenue neutral zonal pricing structure for a larger Skipton zone (including Cononley) would be around £36 per week. This price reflects the relevant passenger flows from Skipton and Cononley.

2.29 However, this price would mean that current season ticket holders from Skipton to Leeds would be £1.70 per week better off but season ticket holders from Cononley to Leeds would be £11.40 per week worse off.

2.30 Whilst there would be more 'winners' than 'losers' from this approach it would be certain to attract significant adverse publicity.

### **3.0 Conclusions**

- 3.1 Metro has achieved the introduction of Zone 6 and Zone 7 products within the advised timescale.
- 3.2 The next steps are based upon:
- The extension of Harrogate and Skipton zones to include Knaresborough and Gargrave by January 2010
  - The inclusion of new rail zones to include York, Selby, and Barnsley by January 2010.
  - The inclusion of bus travel within West Yorkshire by summer 2010
  - Bus travel across the city region – timetable to be determined once the timetable for smartcard roll-out can be determined.
- 3.3 There are a number of significant obstacles, as set out in this report.
- 3.4 The prices of some new products could be made more attractive if an element of subsidy was provided.
- 3.5 The implementation of city region wide smartcard ticketing and a zonal structure for rail fares would facilitate the aspiration for integrated city region wide ticketing.

### **6.0 Recommendations**

- 7.0 Leaders are requested to:
- a. Note the introduction of Zone 6 and Zone 7 rail products
  - b. Note the timetable for further implementation
  - c. Consider whether they wish to receive a further report on a migration to a fully zonal rail ticketing system.
  - d. Consider what funding they wish to make available to support Metro in achieving:
    - I. The inclusion of Gargrave and Knaresborough in Zone 6 and Zone 7 respectively
    - II. The competitive pricing of a West Yorkshire bus-add on
    - III. The development of a Transport Act 2000 Ticketing Scheme

**Leeds City Region Leaders Board**  
**Previous Related Papers**

<b>Source Papers</b>	<b>Location</b>
<b>Meeting Date: 30<sup>th</sup> March 2009</b> <b>Item Title: Metrocard Extension</b>	All previous papers can be located at:  <a href="http://www.leeds.gov.uk/leedscityregion">www.leeds.gov.uk/leedscityregion</a>
<b>Meeting Date: 9<sup>th</sup> October 2008</b> <b>Item Title: Cross Boundary Ticketing</b>	