

## **CPME iPoints – Follow on for Directors**

### **Additional (added 21/07/2021)**

*This has not been updated following feedback/ requests for further information in relation to:*

- A) *Forward trajectory for ticketing*
- B) *Additional data on customers who might need to use iPoints*

*The following changes/additions have been made:*

- *The future of bus ticketing – Trajectory : Page 2*
- *Additional text – Summary/conclusions : Page 3*
- *Appendix A – Additional Data : Page 4*

### **Purpose**

At the request of the Cribs Patchway Metrobus Extension (CPME) project a review of metrobus iPoint provision has been undertaken to confirm whether, given the advances in ticketing and payments through Contactless Bank Cards and mobile phones, by the launch of CPME routes in 2023 iPoints will be required to be installed for this route.

### **Background**

metrobus iPoints have been installed at all metrobus stops to date – iPoints perform a number of functions:

- A) A visual identifier and bus stop flag
- B) Provide RTI and Journey planning
- C) Retail paper and smart tickets/Travelwest smartcards to walk up customers
- D) Download online pre-purchase tickets to smartcard
- E) Help point for passengers

*C) and D) ensures no driver interaction and dwell time minimised in line with metrobus principles*

Each iPoint costs circa £68k to purchase including delivery, but excluding associated installation costs. In addition to this, the IT network and CCTV needs to be provided and project management and installation costs can vary from site to site. The average cost per stop could be approximately £85K.

metrobus is based on no driver interaction – this is to ensure fast boarding and alighting so reducing dwell times and improving journey times/journey time reliability. Any driver interaction to pay or purchase tickets will impact on this – as such off bus ticketing/payment without driver interaction must be available to all customers no matter their age or whether or not they own/are able to access a particular technology (i.e. a smart phone).

Currently 14% of metrobus journeys are made using paper tickets/passes, with the vast majority purchased from an iPoints

## The future of bus ticketing – to 2023

Whilst it is difficult to be certain of what the situation will be in 2023 it is likely that there will be:

- an increased use of tickets on people’s phones;
- continued introduction of and increasing use of debit and credit card capped fares; and
- a reduction in the use of tickets bought at iPoints due to greater use of other ticketing methods.

A summary of mobile and contactless bank cards technology in 2023 is set out in the below table:

| Ticketing/Payment                           | Access/ability to use   | Gaps  | In 2023  |
|---|---|---|--|
| Mobile/Mticket                              | <ul style="list-style-type: none"> <li>- 84% of UK adults over 16 will have access to a smartphone</li> <li>- Smartphone ownership drops of under 16 and most children under 10 do not have a smartphone</li> </ul>   | <ul style="list-style-type: none"> <li>- Children without smartphones/the ability to purchase tickets one smart phone</li> <li>- Adults without smartphones/ability to purchase tickets with smartphones</li> <li>- Requires customers to have the operator specific app (a particular issue for visitors/irregular users)</li> </ul> | <ul style="list-style-type: none"> <li>- Multi operator tickets will likely be on mobile/mticket (although bus operators have no clear plan/timescales agreed)</li> <li>- Gaps will remain. Mobile/mticket will not be available to 100% of metrobus travellers</li> </ul> |
| Contactless capping (tap n’ cap or similar) | <ul style="list-style-type: none"> <li>- Available to those with a contactless bank card (Oct 2019 83% of UK bank cards had contactless function – this will continue to increase)</li> <li>- Access to Contactless cards drops for those below 16 – with the youngest only having access through pre-pay cards such as Go Henry</li> <li>- Mostly adopted/in use by large bus operators based on their own business rules</li> </ul> | <ul style="list-style-type: none"> <li>- Does not apply discounts for Child or Student tickets</li> <li>- Only on limited operators/ multi operator tickets not supported</li> <li>- Does not support best value monthly/season tickets</li> </ul>  | <ul style="list-style-type: none"> <li>- Likely to be more widely adopted (driven by NBS aims for flat fares)</li> <li>- Gaps will remain – in particular the issue of child/discount tickets (a bank card does not know your age) and multi operator tickets</li> </ul>   |

## The future of bus ticketing – Trajectory

The recently published National Bus Strategy sets out a ticketing vision for buses to be cheaper, easier to use, and better integrated with other modes and each other – with the aim to level up buses across England towards London standard.

Through current WECA projects and initiatives, as well as those to be set out in the Bus Service Improvement plan (BSIP), WECA will move towards more integrated offer for the wider bus network – with simplified ticketing; contactless capping; mobile tickets and multi operator ticketing as the norm. The plans are to be achieved through initiatives delivered between 2022 and 2030.

To date iPoints/on street ticket vending have been the only way of guaranteeing that almost all customers/customer types are able to access ticketing and travel without any driver interaction (a core principal of metrobus to ensure that dwell times are kept to an absolute minimum).

In looking to fully replace the need for iPoints for all customers/customer types there is no silver bullet and a range of systems will be needed to ensure barriers to use of metrobus/accessing the best value tickets are as low as possible. A good example of ‘no silver bullet’ is in London – where, despite having tap on capping with bank cards, in order to be able to ensure that pay-as-you-go capping and discounted tickets are available (i.e. Children/ young people/ students etc) there are 5 different versions of the Oyster card to cover each of the groups – this is needed because tapping with a bank card will result in an adult fare. In addition bus travel is free for 5 – 10 year olds removing one of the more difficult groups in terms of guaranteeing access to particular technology/cards.

Work is currently underway on projects that will introduce some of the core building blocks in delivering a London standard over – these are:

- Upgrade to contactless bank tap on tap off for all buses in the West of England (single operator capping for adults)
- FTZ Mobility-as-a-service trial (multi-modal journey planning and tickets)

Initiatives developed through the BSIP, and implemented through Enhanced Partnerships over the 2 delivery windows, will continue this trend and will address barriers such as:

- Simpler and cheaper fares with multi operator as the norm
- Child/discount fare capping
- Multi operator capping (multi operator as the norm and work with DfT to delivery capping with bank cards)
- Multi modal capping (working with ToCs and GBR)
- Mobile ticketing (simplification and capping)

### **Summary/Conclusion**

Metrobus requires 100% of customers to be able to access off bus ticketing/on bus contactless taps with no driver interaction. As alternatives, that deliver the same complete no driver interaction offer for all customers/customer types, are unlikely to offer complete coverage - this will inevitably mean that not having an iPoint at a stop will result in some driver interaction/ticket issuance will be required for CPME routes. It has been shown that each ticket purchase from the driver can add up to 11 seconds to the boarding of a single customer.

At this stage none of the technologies can be guaranteed to provide the complete coverage that at stop ticket vending provides and ticketing projects and initiatives to deliver to the London standard cannot be guaranteed to be progressed for all customer/customer types – de scoping iPoints from the majority of CPME stops will likely result in:

- a) some customers being unable to use/access metrobus, and/or
- b) payment/ticket purchase from the driver being required. Resulting in increased boarding/dwell time and going against the metrobus principles.

Each ticket purchase from the driver can add up to 11 seconds to the boarding of a single customer

There is a clear trajectory, both nationally and through WECA initiatives, to move to a London standard or ticketing and payments with would reduce (and potentially remove) the need for at stop ticket vending for metrobus. There is however significant uncertainty as to delivery timescales – whilst by 2023 good progress will have been made in terms of single operator adult ticketing – risks remain with regards to multi operator ticketing and discount fares (child/young person/student). At this stage the only way to ‘guarantee’ ticket availability, and meeting the metrobus standards, at CPME launch is at stop ticket vending.

It should also be noted that metrobus iPoints are not purely for ticketing and deliver several other functions. the current metrobus quality standards state that an iPoint/certain functions will be at all stops - should some or all CPME stops not have iPoints then these functions will have to be delivered through agreed alternative

infrastructure and budget for the associated costs allocated. A full list of iPoint functions is provided below – costs for alternative solutions will need to be confirmed by the project:

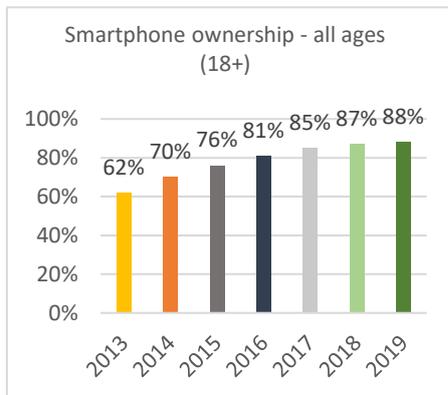
- A visual identifier and bus stop flag
- Provide RTI
- Journey planning
- Help point for passengers
- Retail paper and smart tickets/Travelwest smartcards to walk up customers
- Download online pre-purchase tickets to smartcard

### **Recommendation**

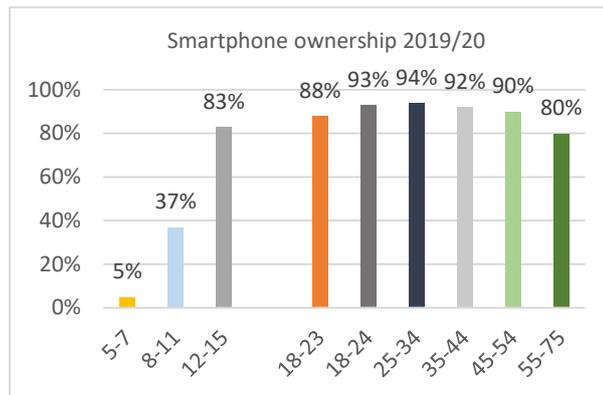
- That the CPME project continues to plan/budget for the include metrobus iPoints at this stage
- Continued engagement between FTZ MaaS/integrated ticketing & metrobus CPME projects to ensure alignment and efficiencies/better VfM where possible without impacting metrobus principles

**Appendix A – Additional data:**

**Smartphones:**



\*Deloitte – Global mobile customer survey: UK cut



Deloitte – Global mobile customer survey: UK cut (18-75)  
Ofcom – Children and parents: Media use and attitudes (5-15)

**Trend** - Smartphone ownership has continued to rise – however the data shows a it is plateauing so growth will be slower. Higher gap in ownership for older people (55-75) and children (5-15) are likely to continue but ownership will slowly increase for older children (12 – 15)

*Note – smartphones will range in age and available functionality – further data/analysis would be needed to assess the % of these smartphones that are able to support current ticketing and payment functionality/ apps*

**Contactless cards:**

At the end of 2019 there were 132 million contactless cards in circulation, with 85% of debit cards and 74% of credit cards in the UK having contactless functionality. 79% of people in the UK now use contactless payments, and no age group or region falls below 68% usage (*UK payments market summary 2020*). No current data was available on % of under 18s with bank cards – however contactless debit cards are available with the majority of accounts for those aged 12 upwards.

**Trend** – no current data was available on when all bank cards (debit and credit) would be contactless however it is reasonable to assume, except for those customers that opt out, all cards will be issued as contactless when they are issued/re-issued over the coming years

*Note – Bank card transactions do not use customer age/ other user information – therefore it is not possible for a customer’s eligibility for a discount to be identified at the point of use without driver intervention or a specialist back office account.*