

Delivering Traveline Services

Proposal by a potential consortium of bus operators

This document sets out proposals from bus operators as to how they would seek to deliver the traveline service on its current and future channels from the next financial year.

This document is intended as a starting point to enable discussion between Key Stakeholders of Traveline and has been prepared by Stagecoach after consultation with the “Big Five” operating groups, other major bus operators and CPT.

These proposals have the broad support of a majority of the major bus operators though we acknowledge that National Express Group may not be able to endorse all of the proposals due to their unique operating geography.

<u>Contents</u>	<u>Page</u>
Executive Summary	2
Key Principles	3
The Proposal – Overview	4
The Proposal – Detail	6
Implications and Transitions	10
Timescales	10
Realising the savings	11
Potential Suppliers	12
Conclusions	13
Next Steps	13
Appendix 1: Traveline NewCo Financial Illustration	14

Executive Summary

The bus operators recognise that the current traveline service represents some excellent achievements by traveline Stakeholders in partnership across the UK over the past 11 years and there is much good practice that has been established during that period.

However, the existing federal structure of the organisation has created a complex management system for the national service that has meant that it has not always been able to respond adequately to opportunities to increase the traveline audience, or to make decisions quickly or effectively. The bus operators also experience a wide difference in the operating costs for the service across the UK.

We believe that a less complex organisation and better defined ownership of the decision making process could free up the ambition of the service and encourage innovation. This would improve the service offer to the customer whilst embracing localism and making it easier for individual regions, authorities or third parties to create their own 'local offers' to operate alongside a national service where the local agenda demonstrated the need for, and value for money from such parallel services.

The Bus Operators believe that this proposal will lead to a significant reduction in the cost of maintaining and operating the traveline service for Operators and Authorities and would achieve savings of 50% against the current cost.

Key Principles

- The Bus Industry remains committed to providing a national traveline information service, in partnership with key stakeholders.
- Traveline should remain impartial, multi-modal, not for profit, and delivered on at least the existing channels with at least the existing services and service levels to customers.
- Traveline should be delivered and managed so as to minimise cost and maximise value and deliver to its users accurate, qualitative, relevant information.
- Traveline should switch to become a provider of data rather than a consumer of data whilst continuing to deliver to market those information services that the market is unable or unwilling to provide and supplying data to downstream applications such as RTI systems, accessibility projects, and software used for creating at stop publicity.
- Traveline should aim to provide access to its data on a “free to market basis”
- This proposal concentrates of the delivery of a national service for England initially as single national organisations and services already exist in Wales and Scotland. However it is envisaged that TIL will work with Traveline Wales and Traveline Scotland to deliver a UK wide service.

The Proposal - Overview

1. Structure and Organisation

- a) Traveline Information Limited (TIL), formerly called Intrasol, was established when the Traveline service began. It currently holds the national Traveline contract with Talk Talk for the 0871 service, the NextBuses contract, and is the employer for central Traveline staff.
- b) TIL would be invigorated with a clear mission to deliver a national traveline service. Its Board would be expanded to include active representatives of all Key Stakeholders. The allocation of shareholding would be done on a 70/30 split with up to 30% from organisations other than bus operators (eg. LA, Government, TfL, PTEG, ATCO, ATOC). This would ensure that strategic direction would be set through a collaborative agenda.
- c) Traveline stakeholders would commit to working with DfT and others to deliver NaPTAN, NPTG, the National Operator codes, serviced organisations and connections databases

2. Finance

- a) Bus Operators would provide a commitment of up to £4.09m per annum to fund a national traveline service. Over time this cost would reduce as technologies advanced and demand for individual channels shifted
- b) Bus Operators would meet the Operating cost of TIL and all Stakeholders would share the set up cost and Government Stakeholders would underwrite regional wind down costs

3. TIL Responsibilities

- a) TIL would employ a successor to the traveline National Project Director and a small supporting staff to manage develop and administer the service.
- b) TIL would let contracts for delivering new national telephone and national website services hanging off a national journey planning solution, and establishing arrangements for collecting data and creating a national data set.

Delivering Traveline Services

- c) TIL would specify the services supplying information for “end to end” journeys delivered through current channels based on and sustained by the demand for these channels (including Fares information)
- d) TIL would establish arrangements for gathering and adding value to bus registration data from across the UK and the means to distribute this to stakeholders, VOSA, and other interested third parties.

The consequence of these proposals would be that the need for the numerous traveline governance bodies and regional structures would fall away. Existing local consultative arrangements between operators and Local Authorities and the structure of the TIL Board would ensure that dialogue between all stakeholders was sustained into the future.

Bus Operators expect that these proposals would accelerate the migration from paper based service registration to provide digital details of services operated using TransXChange down to bus stop level detail either through EBSR or by other means.

The Proposal – Detail

1. Structure and Organisation

It is clear from the Traveline conference last year that there is a hunger for information about bus services in a digital form from the market. This demand has materialised in requests from numerous third parties seeking to develop mobile journey planning applications but which Traveline, as a number of related organisations, is not readily equipped to deal with – there is no single point of contact, there is no single source of data, there is no single policy for releasing data.

- *There are current opportunities to increase audience for Traveline information that a more responsive organisation could exploit.*

Traveline has a complex structure, with a number of related entities, resulting in bureaucratic governance arrangements. This structure and the resulting relationships, by their very nature, create inertia and extended timescales for decision making that is potentially restricting the development of the service in a fast moving information world. This complexity means that those seeking access to data are confronted by a distributed and a complex management regime to establish technical access and distribution rights.

Six central committees and almost twice that number of regional boards attempt to manage and administer the service with mixed results. The cost of servicing all these boards and committees alone is not insignificant.

- *A less complex organisation could free up the ambition and development of the service, encouraging innovation and reduce the often 'hidden' overhead of the service*

Bus Operators remain committed to working in partnership with Local Authorities to deliver a national traveline service. However the complexity of current governance arrangements has meant that Traveline has been slow to take opportunities in the market place. To address this it is proposed that Traveline Information Limited or a new venture would become the vehicle for delivering and managing traveline information services across the UK.

Traveline would continue to deliver information out to channels (e.g. telephone or unfashionable mobile phones) that the market is unable to sustain or unwilling to provide, and seek to improve the customer experience through improved user interfaces.

Finally we have seen Traveline excel in certain parts of the country whilst in other areas the service offer is less than satisfactory. The regional offerings vary in terms of the range of information offered, and the quality of data used to provide information, and of course the inbuilt design limitation of regional data sets. There is

Delivering Traveline Services

believed to be a benefit in terms of improving the customer experience through delivering a single service offer across all channels across the UK, based on the best regional offers (e.g. including fares, personalised web services, mobile journey planning etc).

2. Finance

Our research shows that Traveline costs the stakeholders some £10.4m to deliver information from bus service registrations out to customers via telephone, internet, SMS, and Mobile Internet.

This is funded by Bus Operators (£4.09m), Local or National Government (£4.56m), telephone and data revenue (£0.35m), with a further £1.2m of undeclared funding spent by Local Authorities in gathering data.

The Bus Industry made a commitment to support and provide funding for the traveline service when the service was established in 2000, primarily as a telephone information service. This commitment from the bus groups and other major bus operators remains.

The Major Bus Operating Groups are satisfied that the national service can be delivered for much less than the current £10.4m which traveline costs stakeholders to run.

- Bus Operators would maintain their current commitment of up to £4.09m per annum to fund a national traveline service. Over time this cost would reduce as technologies advanced and demand for individual channels shifted. Income would be supplemented by subscription or licence income from third parties who take commercial benefit from using traveline data from, telephone revenues, and from promotional contributions where stakeholders agreed to promote the services.
- The method of sharing this funding between operators would be through subscription directly or indirectly – be it based on call volumes, fleet size or other agreed arrangements that would be determined with the CPT Bus Commission taking a leading role and directing the subsequent management of that funding stream.
- Bus Operators seek to improve the supply of information through the Traveline service and would commit to meeting the Operating Cost of TIL. The cost to operators of doing this is expected to remain at current levels for the near term and thus we would seek an equal commitment from our government partners to share set up costs and for Government Stakeholders to underwrite any regional wind down costs that might arise.

Delivering Traveline Services

3. TIL Responsibilities

- a. TIL (or an alternative vehicle) would be invigorated with a new mission *“To gather, refine and improve data from bus registrations; and distribute this, directly or indirectly to customers, blended with or alongside data from the rail industry; to deliver information about when and where bus and rail services operate in the UK.”*
- b. TIL Board would be expanded to include active representatives of all Key Stakeholders. Bus Operators including CPT would hold 70% of the equity with the remaining 30% allocated to other Key Stakeholders (PTEG, ATCO, and DfT/TD). This recognised structure for private/public partnerships embraces the commitment to perpetuate the current partnership working that has defined Traveline across the UK.
- c. In addition to the planned letting of national contracts for the Traveline NextBuses and SMS services, TIL would let contracts for delivering national telephone and national website services hanging off a national journey planning solution, and establishing arrangements for collecting data and creating a national data set.

Existing regions and suppliers would be welcome, and potentially very well placed, to bid to operate these new contracts. It may be that these services could be sourced from multiple or single suppliers. We continue to hope that Stakeholders will implement change and secure the cost benefits, our preference is for a short ITT process but we would also consider placing of a partnership contract with the rail industry, possibly on a short or medium term basis as an alternative approach.

- d. TIL would specify the services supplying information for “end to end” journeys delivered through current channels based on and sustained by the demand for these channels. This would include the delivery of “enhanced service” to include Fares information, mobile journey planning and including more Real Time Passenger Data. Operators predict that further enhancements would follow to include capability for customers to pay for journeys by “click through” technologies.
- e. TIL would establish arrangements for gathering and adding value to bus registration data from across the UK and the means to distribute this to stakeholders, VOSA, and other interested third parties
- f. Traveline stakeholders would commit to continuing to work with DfT and others to deliver NaPTAN, NPTG, the National Operator Codes, Serviced Organisations and connection Databases so as to minimise the cost of refining data gathered.
- g. TIL would employ a successor to the Traveline National Project Director and a small supporting staff to manage, develop and administer the service

Delivering Traveline Services

- h. The consequence of these proposals would be that the need for the numerous traveline governance bodies and regional structures would fall away. Existing local consultative arrangements between operators and Local Authorities and the structure of the TIL Board would ensure that dialogue between all stakeholders was sustained into the future.
- i. Bus Operators expect that these proposals would accelerate the migration from paper based service registration to provide digital details of services operated using TransXChange down to bus stop level detail either through EBSR or by other means.

Implications and transition

The bus operators are mindful that that there are significant hills to climb in order to implement their proposals and there are potential barriers to making this happen that need to be addressed. This section considers the implications of the proposals and suggests steps that might be taken to remove obstacles in the path.

1. Timescales

If the button was to be pressed to embrace these changes the Stakeholders would need to establish a Project Board and appoint the Project Director proposed to lead the change process. It is likely that some parallel operation of old and new delivery mechanisms will be appropriate.

Defining service levels for the 'new traveline' and either launching an ITT process or negotiating terms with a partner provider would be the key priority as these can quickly provide confidence that the market will provide these services from a reduced cost base.

- I. There are conflicting views as to how long this might take, but we believe that these processes can be completed to enable a start up for constructing the new delivery mechanisms to begin very soon after the close of this consultation.*

We are conscious of the importance of delivering good information for the Olympic Games in 2012 and believe that any lethargy in addressing our current concerns over travelines' future, would present a greater risk than doing nothing.

In establishing a new future for traveline we believe we should act swiftly taking advantage of any Information legacy the Games might provide, and manage the transition from the current structures to the ones proposed so as to ensure we can, and do, deliver the best quality information about bus services to the street.

The biggest task here would be gathering data, probably from the national data set and then implementing processes for updating this with registrations lodged to populate a journey planning solution. This would require agreement with Traffic Commissioners and VOSA to secure timely access to registration data.

- II. We believe it is realistic that such work could deliver a working solution for the new traveline to launch in the autumn of 2011.*

Delivering Traveline Services

The timescales for 'winding down' existing regional arrangements are likely to take longer. Most traveline regional organisations are built on joint venture companies with varying contractual commitments in terms of systems used and information delivered.

We are aware that some local or national government partners may wish to deliver their own style of local information service alongside the national traveline service, where public funds are available for these purposes. Our proposals will enable this localism approach underpinned by data from a secure, solid and quality assured national traveline service. Others may wish to refocus the saved resource directly into supporting vulnerable bus services. Where current traveline roles are 'part time' redeployment into other roles may be achievable. In other cases the winding down of traveline regional structures may create a liability that will need to be met.

III. *We believe that some residual regional costs and winding up costs will be incurred during the period April 2011 to March 2013 whilst the 'new traveline' is established.*

2. Realising the savings

The commitment from Bus Operators is predicated on all stakeholders securing reduced costs over time. Migrating audiences to lower cost channels is not unusual in the information market place and our analysis takes a cautious account of that.

Establishing the platform early, and shadowing current arrangements, will provide Olympic integrity. Whilst there are some unknowns that need to be quantified – primarily 'wind down costs' we believe that transition can be managed so as not to disturb data flow and can 'raise the bar' as to what information we provide and the reach of that information. .

The financial model shown in Appendix 1 shows savings accruing to Bus Operators beginning at the end of year two (March 2013) and flowing through into the years beyond. It shows savings to government, LA's and national governments commencing earlier at the start of year two and being fully secured by the end of year 3 (March 2014). These costs are capable of refinement which would be an early priority for the new Project Board.

To realise these savings, bus operators would seek to share the costs of setting up the new arrangements with government, and to secure staged payments for any setup costs over three years (potentially four).

Of the unknown wind down costs whilst Bus Companies commit to picking up the operating cost of TIL from day one off launch (until that time existing funding remains in place) we would seek a commitment from government

Delivering Traveline Services

stakeholders to meet wind down costs which in this illustration are estimated at £5.4m expended over Years one and two.

3. Potential Suppliers

Critical to determining achievable timescales will be the selection of suitable suppliers for TIL and how this is done. Traveline has invited bids for creation of the National Dataset, NextBuses and SMS services.

For the new call centre and web contracts the Bus Operators would propose that at an early stage invitations be made to test the market to find the most suitable supplier. This is a low risk approach. We believe that potential suppliers are to be found either from within the current traveline community (e.g. a single region scaling up), from the rail industry (e.g. NRES), from existing suppliers to traveline and from new entrants.

Conclusions

The above proposals represent a starting point, and it may well be that stakeholders would wish to present alternative components or proposals.

Within the proposals some choices are presented, such as ; Using TIL or some other business as a vehicle for the new arrangements; establishing a partnership contract for the short/medium term or setting up a tender process to establish the new arrangements. There may be other options to consider.

However it is important not to confuse the need to address the transition arrangements, or the journey on which we would embark to meet the proposed course of action, with a desire to change the destination.

What is clear is that the current expenditure cannot be justified in the current economic climate when there is potential to redeploy funds directly to vulnerable bus services. The data quality concerns that exist are better addressed before the Olympic season starts, and the difficulties in developing the service in a fast evolving market place are considered as significant issues for Bus Operators.

The proposed significant commitments from Bus Operators are dependent on a plan for change being swiftly agreed, so that real change is embraced in line with the timescales outlined in previous papers on this iteration of the traveline review process.

There is a risk that, as with previous traveline reviews, inertia sets in and change does not materialise, despite the considerable savings available to the public purse. In the current financial climate this would almost certainly be considered unacceptable to taxpayers, let alone sustainable and, were it to be the case, would likely put at risk the current cohesion that exists within the Stakeholders that currently govern traveline.

Next Steps

1. Agree strategy outlined in paper
2. Establish NewCo/TIL Governance and Management including Project Board
3. Market Test NewCo supply cost estimates
4. Evaluate options to access registration data with VOSA
5. Set Timetable and agree financial plan/parameters
6. Refine estimate of wind down costs
7. Establish relations with Olympic Authority

Delivering Traveline Services
Appendix One

Traveline NewCo Financial Illustration

£m at todays prices

	Current Cost
Cost Charged to Operators	4.09
Share of Set Up Costs	
TIL Costs	
TL Retained Revenues	
Total Funded By Bus Co's	4.09

Year One		Year Two	Year 3	Year 4
01 April 2011	01 November 2011	01 April 2012	01 April 2013	01 April 2014
31 October 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
2.39	1.50	3.60	3.60	3.60
	0.28	0.47	0.25	0.00
0.16	0.11	0.27	0.27	0.27
0.20	0.14	0.35	0.30	0.25
	4.09	3.99	3.82	3.62

TL Declared Costs	4.56
Estimated External Data Gathering Cost	1.21
Share of Set Up Costs	

2.66	1.80	2.00		
0.71	0.38	1.22		
	0.22	0.53	0.25	0.00

Total Funded by Govt	5.77
-----------------------------	-------------

5.77	3.75	0.25	0.00	
-------------	-------------	-------------	-------------	--

Assumptions

	£m
Annual NewCo Op Cost	3.60
Set Up Cost staged payment	2.00
TILtd Op Central Cost Met by Ops and TL Revenues	
Gov t Meet wind down costs	5.40
Ops Meet NewCo operating cost	
Govt/Ops share set up costs	
Yr 1 to 31 Oct - existing arrangements	
Yr 1 from 1 November - operator fund op cost	