

Traveline Advisory Group Consultation

Some thoughts from the Bus Industry

1. Introduction

We are encouraged by the response to the Traveline consultation that suggests an acceptance of the need for change and the opportunity to provide a cost effective national service.

This document sets out an initial response to comments received to the bus industry's proposals to reform Traveline and in particular seeks to answer some key questions raised by those commenting, to clarify the industry's intent and to illustrate some alternate transition strategies.

We have refrained from commenting on individual submissions and appreciate there may be other questions that we could usefully address on some of the practical issues raised during the consultation. We would be happy to prepare any further answers if Stakeholders think this would be beneficial.

All of this is set in the context that the industry does not presume that only its ideas are suitable for adoption. We see the views presented here as a starting point to enable any alternatives to be fully considered.

The Key Stakeholders in Traveline agreed in 2009 to finalise plans by April of this year and clearly we are a little way from finalising the route to travel in order to reshape a Traveline fit for the future in a testing economic climate, and which meets the changing expectations of our customers. We value this consultative process and the constructive engagement of all parties in the dialogue that has been initiated.

The bus industry believes it is essential that we aim to conclude this process in time to initiate the change programme to commence at the end of the summer.

Whilst this dialogue usefully continues the Bus Operators have initiated a number of actions set out in our proposals that will help better inform the debate providing more detail so that all those participating in the dialogue can have all the information needed to finalise these plans.

These actions are:

1. Prepare a paper on Governance and Management options for; TIL Ltd, Shadow Board, TAG/Stakeholders Group and TL Board including alternative options for ownership model.
2. Identify work packages and initiate market testing for supply of national traveline services.
3. Prepare outline discussion of realistic timetable and milestones for change.
4. Research with Traveline regions to quantify potential scale of transition exit costs and identify critical timeline triggers for such costs.

We would hope to report on progress with these steps to the next Traveline Advisory Group.

Sections 3-5 set out the industry's specific responses to questions raised by the recent consultation and for ease of reference follow the headers used in the document "TAG Consultation Responses May2011.

2. A Renewed Traveline

Without re-presenting the original proposals it is probably helpful to restate the sort of traveline that the bus industry wishes to create.

The vision is based on how traveline is experienced by those who use it whilst delivering it in a cost effective and sustainable way. The Bus industry commitment is actually cost neutral for the bus industry with substantial cost savings available for Local Government stakeholders. In the long term some further cost benefit is expected to arise as demand management is implemented and development cost is shifted to experienced third parties. In the short term added value comes from the increased circulation of information and thus potential generation of new demand for travel.

The proposals seek to encourage innovation and enable quick decisions to unlock the creation of new services that Traveline or third parties may wish to provide to meet the developing needs of those using public transport.

As a base point the industry would seek to maintain all existing delivery services on a multi-modal and impartial basis through all existing channels and to improve upon these as part of a managed plan. Improvements would include the delivery of fares information and the connections to purchase advance travel. Other improvements would include the means to unlock third party development/delivery such as reliable distribution of a Traveline National Dataset and API access to third parties to meet the current demand for mobile services that are not currently satisfied by the limits of the current NextBuses API.

3. Key Issues

Many responses included requests for more detail on existing areas of the proposal and in sections 3 - 5 we have set out some initial thoughts that may provide some of the clarity sought and give some steer as to where Stakeholders might wish to look to ensure the change agenda is delivered.. These responses follow the order presented in the Traveline Advisory Group Consultation Responses.

- **Timescales and the Olympics**

The initial target set by all of the Key Stakeholders in 2009 was to implement an agreed plan for change between April 2011 and April 2012. We agree that this was unrealistic and consequentially our proposals suggest a two to three year planned outlook to deliver the change. This we believe is a robust approach which is capable of delivery with minimal risk.

We believe our proposals clearly show our commitment to ensuring delivery of data during the Olympic period and beyond. Critical to success will be the transitional plan which needs to be designed in such a way as to minimise risk to the service provision whilst following a clear path to securing the combined service. We have suggested some alternative strategies in outline in Appendix 1.

- **Transport Direct**

Transport Direct is an important third party consumer of Traveline data with whom Traveline collaborates in a number of ways to enable improved service delivery. We would anticipate such collaboration continuing where both organisations considered this beneficial, and we fully expect TD to continue to be a significant consumer of Traveline data.

- **The localisation agenda**

The bus industry proposal in essence moves from a distributed information creation method to a centralised creation and collation of information which can then be distributed as data to the many.

Apart from those that wish or need at their own expense to create information from Timetable data (some of which the new traveline may seek to use as a data source) the obligation to do so falls away generating potential cost savings for those organisations.

The availability of a unified quality assured data source, open via an API or other means, should enable many existing stakeholders and many new consumers of data to sustain current, or build and develop new, information service offers that meet their local agenda. Thus national, regional, Parish, or even street service offers can be released to enhance information circulation to those using or considering using public transport.

This element of the bus industry proposal, not only plays to the localism agenda, we believe it embraces the concept and will act as a key enabler of this government policy.

- **Partnership working**

The bus industry proposal recognises the significance and importance of the partnership working that has brought Traveline from its humble origins as a telephone service to one that now serves a wider audience with over 30 million enquiries through the internet and mobile devices every year.

In setting out a proposal for continuing this partnership we have proposed that a wide range of stakeholders should be represented on the TIL Ltd Board, including those that will no longer be funding the service, and including customer representation. In determining the appropriate split between those stakeholders who fund the service and those that do not our proposals have established a 70/30 split as most likely to enable an agility unconstrained by public sector trading rules that will secure the service responsiveness that end users of Traveline data and the travelling public are seeking.

- **The customer**

See section 2

- **Other modes**

See section 2

- **Promotion**

The Bus Industry proposals only briefly touch on the whole question of Marketing and promotion but it is clear that building upon the success of current regional efforts should be encouraged. We would not propose to depart from the well established telephone number and Traveline branding which is widely used on bus stops, in bus timetables, on websites, in telephone directories and in other transport marketing material. Promotional contributions from stakeholders public and private vary across the UK and we do not see this element of supporting Traveline as likely to change. Such promotional activity is likely to be driven by the localisation agenda to address the needs and opportunities of the local market within a national brand framework.

Little of the total UK spend on marketing and promotion of Traveline is quantified and reported by either the bus industry or Traveline partners. Within the operating budget of TIL Ltd we would expect there to be some provision for marketing but this is unlikely to match current total UK spend on its own. However, in addition to whatever provision is made by TIL Ltd we would expect that the bus industry would continue to support promotion of traveline at current levels and we would hope to persuade other traveline partners and stakeholders to do the same.

- **Value**

We believe that our proposals do adequately assess the value of Traveline to the bus industry as supported by the commitment made in the proposals. Value judgements have been informed by anecdotal feedback from customers and more tangible research such as

that carried out in Scotland which explored 'conversion rates'. We accept that it would not be inappropriate to try to define the wider perceived 'value' to the community or to help other stakeholders determine Travelines value to them.

4. Finances

- **Transitional Costs**

The health warnings attached to the transitional costs illustrated in the Appendices of our proposals remain valid. Transitional costs come in many shapes and sizes, some of which relate to setting up arrangements with new suppliers, some relate to exiting current arrangements, and some of which relate to how transition is designed. Whilst set up costs can be easier to define exit costs are less so.

We believe that, with an appropriate transition plan, significant exit costs can be avoided which leaves the undetermined issue of who might bear these as less controversial.

A structured transition that takes account of existing contractual end dates, or exit conditions is likely to minimise these costs. Some alternative migration/transition strategies are outlined in the appendix to this document each of which may attract a different cost profile.

We continue to urge Stakeholders to identify these costs, as per the 'Next Steps' in our proposals, so that we can all select the best route to travel.

- **Savings**

Due to confidentiality constraints imposed by various Traveline regional organisations we are restricted in terms of disclosing the origination of all cost figures. We would be happy to share with any region the source and figures related to that region and would be consider it beneficial to be released from confidentiality restrictions if those regions imposing these were content to do so. Savings arise from comparing the existing costs disclosed to the bus industry to the costs quoted by two separate organisations for running centralised services.

- **Delivery costs for the proposal**

The delivery and ongoing costs are set out as an illustration in the appendices to our original proposals, with all costs of the new service provision being met by Bus Operators. Whether or how these costs are to be regionally distributed amongst bus operators would not affect the funding of Traveline.

- **Contingency**

The management of costs will be no different to the management of business and projects that the Bus industry is already familiar with, including contingency planning and budget control. Once the project is initiated the establishment of robust budgets and effective management controls will be an early priority. Establishing a financial plan is specified in the proposals as a next step

- **Other operators**

The commitment from bus operators to funding Traveline to the described levels is what it is, a commitment. How this funding is sourced and the methods used to recharge these (if such a mechanism is favoured) is unlikely to include the current complexities that traveline uses to secure revenue streams.

The industry through the TIL Board will assess the most appropriate economic model for securing the committed funding streams and the duration of that funding, and consider any opportunities for other funding out with the bus industry that may be required as part of setting robust budgets at initiation of the project.

Contributions to the service are likely to be generated on a subscription basis from all participating operators and those authorities that provided contracted bus services

- **Benchmarking**

We do not recognise the relevance of benchmarking against the telephone channel when this now represents such a small proportion of enquiries to Traveline. Nor do we consider funding on a 'cost per call' basis to be the most important criteria against the committed funding streams to be provided which should underpin the service.

5. Data

- **EBSR**

The industry will lead a wider migration to EBSR. We believe that the natural benefits of being able to trade service data electronically will develop such trading. In this regard the industry will seek to develop uptake of the TransXchange standard and our proposal includes provision to enable data exchange to and from Traveline using this technology. The proposals are predicated on current UK registration volumes and rely on most information being available only on paper and requiring degrees of transformation to be usable for journey planning.

- **Bank holidays and disruptions**

The contract for data gathering for details of disruptions would, as a minimum, replicate the extensive network of inputs with authorities, operators and others to maintain a steady flow of data to inform customers. The methodology for achieving this will be based on tried and tested methodology for gathering information from multiple sources often at short notice, including use of new self service sourcing.

In addition the service offer for getting this information to customers will be assessed for early improvement possibly delivered through new media.

- **Local knowledge**

The bus industry and local authorities both have a wealth of local knowledge and it is expected that these relationships would be sustained to the benefit of Traveline which could not and should not be expected to operate in a vacuum. This would be supported by the use of the wealth of analytical tools available to verify data validity and accuracy.

- **NaPTAN**

We do not see any shift in current responsibility for maintaining NaPTAN or NPTG data where we believe the owners of street furniture and infrastructure are best placed to maintain the inventory.

- **How will RTI data be incorporated?**

We do not foresee any substantial change to current arrangements. We envisage RTI data feeds would be sustained through individual connections which will vary for each connection managed through TIL Ltd and the owner of each RTI system.

- **Downstream systems**

We agree that there are opportunities for downstream systems, such as roadside publicity delivered on paper or using new technologies. The proposals assume Traveline to be a 'content provider' to the many, with access to Traveline data effected through API connections or other means.

Appendix 1

Considering Transition and Migration strategies

The bus industry proposal for traveline presume a destination where there is a single robust delivery of current Traveline services on all current channels using data from a designated data gathering function. This would either be outsourced to a single experienced provider or multiple experienced providers, or delivered through an existing traveline organisation scaled up, probably through a competitive bid process.

Currently Traveline stakeholders are contemplating how Traveline might be shaped for the future with a view from the bus industry that seeks to conclude that debate by early autumn. The precise shape of the final traveline will depend on the market response from individual existing traveline organisations that might bid to operate all or part of the service and by external third party bids. Currently proposals are subject of consultation which will affect the future strategy for delivering traveline services.

- *This short note is designed to initiate some consideration amongst all stakeholders as to how the design of transition might impact on cost and the eventual shape of traveline. We would recommend a task and finish group drawn from the TAG/Key Stakeholders Group be established to consider the options*

On the *following page* we simply suggest three of many possible alternative routes to a streamlined traveline managed by TIL Ltd, a joint venture between major bus operating groups with representation from other stakeholders and customers.

In each scenario we envisage opportunities will arise whereby the need for traveline to own and maintain its own journey planning technology will fall away with others providing this at their own risk or on some shared service basis. However we think it unlikely that this will be secured until after the initial transition periods are concluded.

Scenario 1 – Call for bids from traveline regions and interested third parties to provide a robust national call centre, single web offering, and Data Gathering function. Let contracts this year with a phased roll out of service region by region based on minimising regional exit costs and prioritised on those regions where there was no future intent to operate parallel services. Include a managed provision of current services for Olympic purposes and establishing collaboration with Scottish and Welsh government traveline services. Establishment of new operation for all UK to be up and running over two years. Source data from regions or TNDS and establish new data gathering function with remit to maintain TNDS from a given data for all England.

Comment: Principal risk is from parallel running costs which would need to be managed and un-funded set up costs in early stage which may require some partnership risk sharing with the successful supplier to enable costs to be phased.

Scenario 2 – As for scenario 1 but with all data preparation for all UK completed in advance of go live. Focus on creating and then maintaining UK wide data set with data part sourced from regions or created from scratch prior to a launch of new services from early 2012.

Comment: Principal risk is to continuity of service in the Olympic period and exit costs are likely to be greater.

Scenario 3 – Merge existing regional organisations that share the same or similar journey planning technology into a single organisation. Rationalise management and delivery cost and roll data from current sources on a region by region basis into this organisation gradually switching service delivery on a steady migration. Migration prioritised on minimising exit costs, relieving known current financial difficulty and where no future parallel service was planned. Establish collaboration with Wales and Scotland government traveline services to conclude an all UK roll out of the new national service over two years.

Establish the means to transfer the creation and maintenance of the UK wide data set from individual local authorities, initially sourced from regions and subsequently to be maintained by the enlarged organisation.

We would expect the capability to deliver the national service would be completed within two years, beyond which the ongoing management would be reversed into TIL Ltd.

Comment – risk on this scenario is likely to be lower but parallel operating costs may be an issue. An alternative is to reverse merged regional organisation into TIL Ltd at the outset.