

Ticketing Update

Date of meeting 13 December 2024

Date of report 3 December 2024

Report by Director of Finance & Corporate Support

1. Object of report

To inform the Partnership of SPT's activities in relation to public transport ticketing.

2. Background to report

Subway

Smart ticketing facts and figures

The Subway smart ticketing system continues to provide a flexible range of travel options for customers including cash and card payments at ticket offices and ticket vending machines as well as online sales.

Customers can choose between single, return and all-day tickets, or benefit from the flexibility of Pay As You Go (PAYG) on smartcard with a £3.10 cap regardless of how many journeys are made in a single day. Over the past year more than £5.7 million in Subway PAYG top-ups have been loaded to customer smartcards. Season tickets from one week up to a year in length are also available.

A project is underway to update the Subway ticket gates to accept contactless card payment (debit cards, credit cards and mobile wallets) as an alternative to using a smartcard. Customer payment cards will be charged directly per journey, with a daily and weekly price cap in effect ensuring best value for travel.

The first hardware upgrades have already taken place in Subway stations and further software and hardware changes are planned during 2025. Contactless payment is expected to be introduced as an option for customers during the second half of 2025. The initial implementation of the project will cover standard priced adult travel (which represents around 80% of all Subway journeys). Concession travel, under 16 travel and longer-term season ticket users (28-day, 10-week, 6-month and annual) will be looked at in later phases of the implementation.

This project will deliver additional convenience for customers who will now be able to pay by card directly at the entry gate instead of making a separate payment then using a ticket or smartcard at the gate. The customer experience will be similar to existing arrangements for the London Underground.

SPT recognises the risks of digital or economic exclusion which mean that card payment is not a preferred or suitable option for all customers. Cash payment options will remain available via the Subway ticket office and ticket vending machines to accommodate these customers.

Kids Go Free 2024

During the Easter, Summer and October school holidays in 2024, Subway travel has been free of charge for under 16s through the continuing Kids Go Free promotion. This promotion will also continue through the Christmas holiday period extending until Sunday 5th January 2025.

A total of 143,760 free under 16 journeys have been delivered through the Kids Go Free promotion so far in 2024. Overall, during the Kids Go Free dates, 5.6% of all Subway journeys were made by under 16s, compared to 3.9% for the rest of the year.

The table below demonstrates levels of under 16 travel comparing with 2023 (when Kids Go Free was also in effect).

Holiday period	U16 travel as % of all (2024)	U16 travel as % of all (2023)
Easter	5.7%	5.5%
Summer	5.9%	6.3%
October	4.3%	4.3%
Kids Go Free overall	5.6%	5.9%
Rest of Year (U16 travel at normal price)	3.9%	3.9%

Overall performance is similar between 2023 and 2024 with slightly higher levels of under 16 travel in the 2023 summer holiday period. Under 16 travel was particularly high during the UCI cycling world championships in summer 2023.

ZoneCard

ZoneCard is a long-established ticketing arrangement offering multi-modal, multi-operator, travel across the west of Scotland. As reported to Partnership on 28 June 2024, ZoneCard has been modernised this year onto a smartcard ticket format.

The concept of a “ticketing arrangement” is defined in legislation as a voluntary commercial arrangement between operators to meet a customer need for multi-operator ticketing. SPT administers ZoneCard on behalf of the participating operators, who manage the arrangement via a Forum of the major operators (rail, bus and subway).

ZoneCard administration, technical implementation, marketing and customer support costs are funded from ZoneCard ticket sales.

a. Smart ZoneCard introduction

Smart ZoneCard was launched in June 2024 and offers a range of tickets from one-day and one-week up to annual tickets, as well as flexi-ticket options reflecting hybrid commuter travel patterns. Customers can create an account on www.zonecard.co.uk to purchase tickets, and in-person retail is available at Payzone stores.

The re-launch of ZoneCard also included a simplification of the zone map and a review of the pricing structure to align with current pricing for each individual operator, and the extensive travel options and flexibility offered by ZoneCard.

ZoneCard prices had not been reviewed in detail for many years and had been frozen entirely since 2020. In some instances, legacy ZoneCard tickets (offering unlimited multi-operator travel) were less expensive than a season ticket for one operator on a

single route. Therefore, through the pricing review ZoneCard prices for all ticket types were increased.

While there were initial concerns around the new zone map and prices from some customers the ZoneCard team worked with each customer to identify the best ticket solution for their individual transport needs. For some customers, ZoneCard is no longer the best value option however the improved customer offer (including shorter duration and flexible tickets) has also attracted some new customers.

Smart ZoneCard was promoted through a launch campaign during summer of 2024 (funded by the participating operators from ticket sales revenue). Since then, the ZoneCard team has attended a series of workplace events (including NHS, Police Scotland, Barclays and HMRC) to raise awareness and promote the benefits of flexible, unlimited multi-operator travel.

b. Smart ZoneCard performance

As a commercial ticketing arrangement between the participating operators, there is no requirement or obligation for sales/performance data to be published. The following is shared voluntarily by the ZoneCard participating operators. Since the scheme launched at the end of June 2024:

- More than 4,700 customer accounts have been registered at www.zonecard.co.uk. This includes:
 - More than 1,700 customers who have ordered a new ZoneCard smartcard
 - More than 1,100 customers who have registered existing smartcards (ScotRail, Subway, McGill's, Stagecoach and National Entitlement Cards) to their ZoneCard accounts

Overall ZoneCard sales revenue for 2024/2025 is currently projected to be 46% lower than for 2023/2024. Legacy ZoneCard income for 2023/2024 was £4.5m, while projected ZoneCard income for 2024/2025 (including around nine months of smart ZoneCard sales) is £2.4m. There are a number of factors contributing to this, including changes in ticket buying behaviour resulting from changes to prices and Zones. During the introductory period for smart ZoneCard, when legacy tickets also remained on sale, a higher than normal volume of annual legacy tickets were sold.

The most popular smart ZoneCard tickets to date are:

- Zone 1&2: 4 weeks – 21% of all sales
- Zone 1&2: 1 week – 14% of all sales.
- Zone 1: 1 week – 14% of all sales.

c. Opportunities in 2025

SPT and the ZoneCard participating operators are working on a range of opportunities to promote ZoneCard in 2025. A key consideration is raising awareness of ZoneCard for customers who could benefit from the wide coverage and flexibility which ZoneCard can offer.

The suitability of ZoneCard for a customer largely depends on individual travel requirements; for some ZoneCard offers unrivalled value for money, for example:

- Unlimited bus, rail and Subway travel across Zone 1 for one day: £8.40
- Unlimited bus, rail and Subway travel across Zone 2 for one week: £49
- Unlimited bus, rail and Subway travel across the whole of Strathclyde for one week: £124
- Unlimited bus, rail and Subway travel across the whole of Strathclyde for a whole year: £4,836.

For customers travelling regularly across a Zone or combination of Zones, using more than one mode or operator, ZoneCard can offer good value for money as well as convenience and flexibility.

The one-day and flexi ticket options are new as part of the smart ZoneCard offer and there are opportunities to further promote these both for commuter and leisure travel.

The SPT ticketing team and the ZoneCard operators continue to engage with major employers and other relevant partners to support employer purchase of ZoneCard tickets.

The ZoneCard team provides customer support by phone and email and support customer in finding the best ticket option for their travel needs (whether or not that is a ZoneCard ticket).

Strategic

National Smart Ticketing Advisory Board

The Ticketing Manager represents SPT on the National Smart Ticketing Advisory Board (NSTAB). NSTAB was formed in 2023 as a formally constituted board arising from the Transport (Scotland) Act 2019 with the purpose of providing advice on ticketing to Scottish Ministers. The Board published a four-year work programme¹ in 2024 covering a period to March 2028.

Activities in the work programme for the current year 2024/2025 include:

- Benchmark the status of smart ticketing in Scotland including technical factors as well as assessment of inclusivity, accessibility and value for money;
- Identify and advise on smart ticketing quick wins;
- Review requirements and actions for work such as the Fair Fares Review and Climate Change Action Plan, and advise on strategic implications for smart ticketing in Scotland;
- Identify opportunities and challenges related to standardising smart ticketing technology; and
- Collectively respond to ticketing related consultations and calls for evidence.

Transport Scotland Operator Smart Steering Group

The Ticketing Officer represents SPT on the Transport Scotland Operator Smart Steering Group (OSSG), a forum for knowledge sharing and collaboration between operators on smart and integrated ticketing.

¹ <https://www.transport.gov.scot/publication/national-smart-ticketing-advisory-board-work-programme-2024-28/nstab-work-programme-2024-28/>

Through the OSSG, operators can compare ongoing challenges and opportunities relating to ticketing and discuss potential solutions. This group also serves as a forum for Transport Scotland to engage operators on their Smart Delivery Strategy. Operators are consulted through this group on the development of such strategy documents.

Urban Transport Group (UTG) ticketing working group

The Ticketing Manager represents SPT on this group which is an excellent forum for sharing of knowledge and experience with other regional authorities throughout the UK. The group regularly reviews lessons learned from recent developments and arranges relevant presentations from suppliers and others in the industry, most recently from ITSO, the smart ticketing standards organisation.

As a practical example members of the group have been able to compare details on the technical and operational implementation of Kids Go Free or similar promotions, as well as methods for assessing the success of such initiatives.

Clyde Metro

Ticketing and payments will form an essential component of Clyde Metro. The Ticketing team remains engaged with SPT colleagues and are kept updated on the status of the Case for Investment being led by SPT along with partners.

Regional Bus Strategy

Ticketing and payments will form an essential component of future bus networks as well as contributing to the passenger experience. The Ticketing team remains engaged with SPT colleagues and are kept updated on the status of the Regional Bus Strategy and associated workstreams.

Roundabout ticket

SPT continues to administer the Roundabout ticketing arrangement. Roundabout is a commercial ticketing agreement between Subway and ScotRail and offers customers one day unlimited Subway and rail travel across a specified area, outwith the morning peak period.

U22 Free Bus

SPT continues to lobby the Scottish Government for Subway travel to be included in the Young Persons' (Under 22s) Free Bus Travel Scheme. SPT supports the aspirations of free Under 22 bus travel but is aware that the objectives can be met by Subway and other modes, such as Edinburgh Tram, as well as by bus. For some travel purposes Subway will offer quicker and more convenient access to education, employment and other opportunities for young people when compared with travel by bus.

ScotRail fares

ScotRail Trains Limited is owned by the Scottish Government. From October 2023 to September 2024, peak fares were suspended on ScotRail services (with the reduced ticket revenue being covered by the Scottish Government). Alongside peak fares being reintroduced in September 2024 (at a level 8.6% higher than in 2023), ScotRail introduced a one-year discount of 20% on all season ticket and flexi-pass ticket prices.

Subway ticket prices for standard adult and under 16 travel are not subject to peak and off-peak restrictions and offer simple good value all day, every day. A range of season ticket options are also available offering further saving for regular commuters.

4. Partnership action

The Partnership is recommended to note the contents of the report.

5. Consequences

Policy consequences	<i>The delivery of smart and integrated ticketing directly contributes to achieving the objectives of the Regional Transport Strategy.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequence	<i>None.</i>
Climate Change, Adaptation & Carbon consequences	<i>The delivery of smart and integrated ticketing directly contributes to delivering travel behaviour change in support of carbon reduction.</i>

Name Lesley Aird
Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

For further information, please contact *Michael Nimmo, Ticketing Manager* on 0141 333 3234