

## Update from our CEO

**JANUARY was a very busy and challenging month for ITSO, with concerns about the capacity of the security management system (ISMS) still high on the agenda. But there were also some very positive moves forward in achieving our goals.**

The 19th saw the Department for Transport (DfT) confirm its backing of the ITSO Specification as the way forward for nationwide interoperable smart ticketing when Parliamentary Under Secretary for Transport Norman Baker published the Local Transport White Paper – Creating Growth, Cutting Carbon: Making Sustainable Transport Happen.

Mr Baker then reiterated Government support for smart ticketing through ITSO in his keynote speech to the Transport Ticketing 2011 conference on 26 January (see more in this newsletter).

Many other ITSO members gave valuable time at the conference, sharing their



experience and giving their support. I would like to thank them all.

The priorities for the ITSO team have been, and continue to be, as follows:

- Making sure we can maximise the throughput capability of the current security management system (ISMS version 1.1).
- Progressing the implementation of the

new version of the ISMS (version 1.5).

- Making sure the building and equipping of our new testing and interoperability suite in Milton Keynes is on schedule to open in April.
- Building the ITSO team so we have the expertise, experience and capability to support members in achieving our short and long-term goals.
- Developing a consultative programme for a new, future-proofed version of the ITSO Specification (version 3.0) so that it can meet the demands of our members.

More on all of these subjects is contained elsewhere in this newsletter.

We want this monthly newsletter to be relevant and meaningful to our members and users of our services. Our new Communications Advisor Sheila MacDonald would welcome any ideas you have on future content (see back page for contact details).

## Increasing capacity of the current security management system

**AS the majority of you will know, the current security management system (ISMS v1.1) is stretched beyond its capacity.**

This is due to two main factors; demand for security device (ISAM) profiling being more than ten times higher now than it was in June last year, and the security hardware (HSM), which underpins the ISMS, being past end of life.

The current problems have also been exacerbated by contractual delays in agreeing the new hosting environment for an upgraded version (ISMS v1.5), incorporating new state of the art security hardware.

We have been working with Ecebs, the developers of the ISMS, and all other Host Operator Processing Systems (HOPS) providers to identify ways to speed up throughput. We are pleased that these discussions are now bearing fruit with two key changes which should

significantly improve the efficiency of the ISMS and related operations.

The first of these developments is a move to 24/7 support through our hosting company Verizon and the introduction of a new process to enable each HOPS provider to organise a re-start of the ISMS directly with Verizon in the event of hardware failure.

**This will make round the clock production of ISAMs and the use of the ISMS a lot simpler and more effective process and expand from the previous 06:00 to 22:00 support availability.**

The second major change to processes is the development and subsequent agreement by each of the HOPS providers to undertake a process where certain acknowledgement messages which are not essential to the running of ISAMs in a live environment are being held back until version 1.5 is fully tested and operational as a live system.

**This approach is realising a reduction in ISMS traffic of up to 40% without any operational impact on ISAMs profiled.**

Once v1.5 is up and running each HOPS provider will release these acknowledgements, thereby closing the ISMS processes.

We are confident these two changes will mean an increase in throughput which will help us all get closer to achieving our ISAM profiling targets.

However, it remains to be said that we recognise the version 1.5 update is urgently needed and that these changes only provide a temporary fix.

We will continue to update you on any further developments in this area.

- **Please see overleaf for some hints and tips on ensuring your ISAM profiling timescales fit in with your overall project plans.**

## ISAMs ... Getting your timing right

**PLEASE take the following into account when planning your projects:**

- MEMBERS are reminded that they should not assume ISAMs are 'ready to go' when delivered, and that they will need profiling through the security system.
- You should consult with your HOPS provider about appropriate time schedules to ensure they can profile your ISAMs to enable them to work in your devices, such

as electronic ticket machines (ETMs), when your project is ready to launch.

- There is currently a backlog of 2,000 ISAMs waiting to be profiled and this situation is unlikely to improve until the new ISMS version goes live.
- We recognise this could impact on launch plans and would encourage you to talk to ITSO so we can work together to resolve any issues.

### KEY ROLLOVER

**WE are aware that a number of product keys are due to expire in the near future.**

**To ensure continuity during the upgrading of the security management system (ISMS v 1.1) we have extended the lifetime of the keys in the short term.**

**Key rollover will be considered when ISMS version 1.5 goes live.**

## Migration to new security system

**ITSO is now working with ISMS developer Ecebs, hosting company Verizon and the back office (HOPS) service providers to put plans in place for rigorous user and operational acceptance testing prior to migration**

**from version 1.1 to version 1.5 of the ISMS.**

We are very clear that the cross over will not happen until appropriate testing has been undertaken by each HOPS provider. Providers must also be in

agreement that we are sufficiently ready to migrate.

This means we cannot at present give an exact migration date but rest assured we are pushing for this to happen as early as possible.

## Developing the new testing and interoperability suite in Milton Keynes

**WE are steadily and quickly moving towards the completion of the new testing suite in Milton Keynes and will be interviewing for permanent staff to run it over the next fortnight.**

We want to reassure you that we have developed a comprehensive handover schedule with Integri (now known as Clear2Pay), our testing partners, to ensure there will be no disruption to

testing provision during this period.

The aim is that there will be a minimum five-month handover period with a gradual shift from Belgium to the Milton Keynes testing facility, starting 1 April this year, as staff are recruited and trained.

There will be no increase in cost, nor will there be any reduction in the efficiency or comprehensiveness of testing during this time.

We have also spoken with a number of members of the supplier community and will continue to engage with them over the coming weeks to ensure the environment we are building in Milton Keynes provides the essential interoperability certification and testing functionality members require.

If you have any concerns please contact Lindsay Robertson via 0121 634 3700, email [lindsay.robertson@itso.org.uk](mailto:lindsay.robertson@itso.org.uk).

## New ITSO specification version will require close consultation

**WORK is progressing to develop the scope and format of members' workshops for the development of version 3 of the ITSO specification.**

We appreciate this is a topic that may cause concern and would like to take this opportunity to repeat some earlier commitments that have been made.

We remain committed to holding to the current version of the specification (v2.1.4) until 1 June 2013.

We are also committed to a comprehensive engagement with the ITSO membership to develop the scope of version 3.

We are committed to a significant and substantial period of regression

(backwards compatibility) testing between the approved version 3 and versions 2.1.2 onwards.

This means that the new specification will continue to be driven by the membership towards meeting their requirements, not by an ITSO technical committee working in isolation as some have feared.

### Workshops

The initial technical scoping workshops will be followed up by workshops on operational/business requirements.

Unlike previous changes to the specification, we will be undertaking a substantial impact analysis process as part of the regression testing programme

to ensure members can challenge and validate the development of the draft version 3 specification.

We are looking to have the majority of the technical scoping workshops completed before Easter 2011 and those concentrating on business/operational requirements before Summer 2011.

We have committed to the ITSO Board and the national governments of England, Scotland and Wales to complete the first draft of version 3 by Christmas 2011, with a view to spending the majority of 2012 and the early part of 2013 carrying out comprehensive testing.

Invites to the workshops will be sent to the ITSO membership over the coming weeks.

## Board says ISMS system capability must be maximised

**THE Board met on 26 January where the main discussion centred on the upgrade to version 1.5 of the ISMS (which you will have read about**



**elsewhere in this newsletter).**

The Board reiterated the urgent need for clarity around the migration to version 1.5 and stressed the importance of maximising the throughput of the current system (see pages 1 and 2 of this newsletter).

The Board thanked outgoing DfT director Brian Collins for his hard work and key contributions. Brian has stepped down from this position as he is retiring from the DfT.

The Board welcomed DfT member Martin Capstick (see profile below) who

has also assumed director responsibilities for smart and integrated ticketing with the Department.

Martin has already visited ITSO HQ in Milton Keynes and we look forward to a continued productive working relationship with him and his team.

Nick Bisson and Jack Paine remain on the ITSO Board, with Nick now assuming the position of Director, Rail Strategy, at the DfT as part of their internal reorganisation.

The next Board meeting is on 23 February.

## Profile: Martin Capstick is now DfT representative on ITSO Board

**IN January 2011 Martin Capstick became the DfT director responsible for smart ticketing, high speed rail and the safe transport of dangerous goods.**

These areas do not overlap strongly in a day-to-day context, but what they have in common is that they all require significant drive from the relevant teams who are involved in shaping key strategic transport policies for the future.

In addition, they require a strong outward facing approach to have an effective dialogue with the many people

and organisations who have an interest in these issues.

Martin joined the Department in 1988 after graduating from Exeter University with a degree in French and German.

His transport experience includes responsibilities for road, rail, local public transport and aviation.

In addition, he has held roles in environmental policy including promoting biodiversity in the UK and water regulation. And he spent two years in the Cabinet office, spanning the Conservative

and Labour Governments in the late 1990s.

Although this is a career in central Government policy, he has made a point of working closely with organisations delivering front line services to the public and in appreciating the operational issues they face.

Smart ticketing fits in really well with this set of interests, as there is clear policy objective behind its development, but also wider operational consequences to understand.

## Local Transport White Paper is good news for operators and ITSO

**THE DfT's Local Transport White Paper was launched on 19 January and is published at <http://www.dft.gov.uk/pgr/regional/sustainabletransport/?view=Standard>.**

The White Paper includes the DfT's commitment to deliver, with operators and public sector bodies, the infrastructure to enable most public transport journeys to be undertaken using smart

### **Bus Service Operators Grant**

Further advice from the Department for Transport on applying for BSOG can be found at <http://www.dft.gov.uk/pgr/regional/buses/busgrants/bsog/>

ticketing by December 2014.

It sets out how the DfT aims to achieve this, and reiterates the intention to support and work closely with ITSO.

Alongside the White Paper, the Department also launched guidance on its new Local Sustainable Transport Fund, published at <http://www.dft.gov.uk/pgr/regional/transportfund/?view=Standard>. This fund amounts to £560 million in the four-year period to 2014-15.

Local transport authorities are encouraged to apply for funding to support sustainable travel measures, which could include the development of smart and integrated ticketing schemes.

Picture courtesy of Blackpool City Council



**ITSO smart: Buses in Blackpool**

## ITSO takes to the stage at Transport Ticketing event

**ITSO and its members had a strong presence at this year's Transport Ticketing 2011 conference.**

Parliamentary Under Secretary for Transport **Norman Baker** gave a keynote speech where he reiterated the Government's commitment as per the recent White Paper, which states: "The Government believes that smart and integrated ticketing has the potential to revolutionise the way passengers use public transport, with benefits for passengers, authorities and operators.

"The Government is committed to delivering, with operators and public sector bodies, the infrastructure to enable most public transport journeys to be undertaken using smart ticketing by December 2014."

Mr Baker said he could see no downside to ticketing technology, saying it is 'good for passengers, good for transport operators and good for the environment' because it encourages people to use public transport by making it easier and simpler.

He added: "My clear message this morning is that the Government is fully committed to smartcard technology. We believe ITSO is the way to go forward although we recognise other technologies as well."

He pointed out that the non-prescriptive nature of the ITSO Specification gave operators choice.

And added that, while the



**Norman Baker at the Transport Ticketing 2011 conference**

Government was prepared to look at other technologies, there needed to be some constraints to 'save going down the VHS/Betamax route'.

Mr Baker reminded delegates of government funding support through the eight per cent BSOG funding for operators installing ITSO-compliant on-bus equipment, and the funding of £20 million made available to the nine major UK conurbations outside London for the implementation of ITSO smart ticketing.

Mr Baker's speech was followed by a presentation

from **ITSO CEO Michael Leach** who, while accepting that ITSO had had its pitfalls and pains in the past, affirmed that the ITSO concept is entirely appropriate and remains valid for us today.

Michael said that 2011 was going to be the most challenging year in ITSO's history. Key developments such as a new and future-proofed specification which takes near field communications technology and smart mobile phones into account are crucial. The Specification also needs to continue to include options for

those without regular access to bank accounts.

"But first ITSO must get its existing house in order. Our members deserve fit for purpose services, improved advice and guidance, and overall better value for money from ITSO.

"This includes ITSO taking responsibility, for the first time, for comprehensive interoperability testing as part of the certification process, and giving external assurance for entire schemes rather than just individual products.

"All of this will need to be achieved through working in effective partnership with all of our members, with local, regional and national governments, and with operating companies and suppliers."

Michael reiterated that he sees the new environment being built in Milton Keynes as something which should be of benefit to all.

He extended a warm invitation to all to come and visit the site and talk to ITSO about their smart ticketing plans. "We want to talk to and work with you to see how we can move forward in achieving this grand vision of national, interoperable and integrated smart ticketing."

He added that this year will see a major increase in the number of ITSO-compliant schemes involving commercial Pay As You Go (Stored Value) options. "With 13 regional schemes planned this year we truly are taking a giant step towards national coverage."

## Moving services over to the new Travel Concession Authorities

**AS the re-organisation of concessionary administration sees Travel Concession Authority (TCA) status move to upper-tier local authorities from 1 April 2011, ITSO is making the necessary arrangements to ensure a smooth transition of service.**

We will shortly be circulating a 'Withdrawal from Service' agreement to

be signed by those authorities relinquishing their role as Travel Concession Authorities after 31 March 2011.

We will continue to monitor and update our security device (ISAM) pool where applicable to reflect changes to Travel Concession Authority concessionary scheme card providers.

We will also be managing the transition from Shell 100 to Shell 110 in order to ensure there is sufficient capacity for pass number ranges (ISRN).

*Ant McLaughlin is coordinating this work. He can be contacted by email ([anthony.mclaughlin@itso.org.uk](mailto:anthony.mclaughlin@itso.org.uk)) or by telephone 0121 634 2757 or 07515 923766.*

## Cheshire smartcard now works on 500 buses

**THIS month will see another major achievement for the Cheshire Travelcard scheme when 120 more buses become ITSO smart.**

The addition of the Warrington Borough Transport fleet at the end of February will mean the vast majority of Cheshire bus passengers can have a smartcard which works on 500 buses – regardless of which of the six operators is running them.

This, combined with cross-border bus agreements with Flintshire and plans to bring rail operators on board, means Cheshire is truly a microcosm of national interoperable smartcard travel – encapsulating in one region exactly what the Government and ITSO are aiming to help roll out throughout Great Britain.

Forward-thinking Cheshire councils and bus operators have always been ahead of the game, introducing the Chester Travelcard back in 2002. This involved one smartcard which could be used on four bus operators' services, with stored value, weekly and monthly unlimited travel passes.

### In-house

Since then Cheshire has brought the national concessionary scheme (ENCTS) and smart 10-trip tickets on board. In Summer 2010 the ITSO Cheshire Travelcard was introduced as a pay as you go smartcard.

The cards are made in-house and can currently be used on 99 routes provided



**Colin Kennington (third left) and his team celebrate another success in bringing 120 more buses into their Travelcard scheme**

by six operators from 11 bus depots.

So far 200,000 smartcards are in circulation in Cheshire with 10,000 of these for commercial rather than concessionary use. Already, 60 per cent of bus journeys in Cheshire are on smart equipped buses.

The obvious benefits for customers and operators are cashless travel, and speedier, more consistent boarding times, leading to more reliable services.

Bus usage has gone up by more than five per cent – far higher than the national

average. This is also helped by the fact that most operators offer ten per cent discounts on standard single and return fares for Travelcard users.

Surveys on buses have shown that the introduction of smart ticketing machines has led to a three per cent reduction in misuse and fraud for concessionary travel. This already means a saving of around £225,000 for the four unitary councils which make up Cheshire Concessionary Travel Consortium.

### Library

There are now moves to expand the use of the ITSO cards from just travel, incorporating library services and discount offers from local traders in a bid to boost the local economy.

Colin Kennington, Principal Transport Officer for Cheshire Integrated Transport Service, attributes their success story to a trio comprising forward-thinking councils and bus operators, together with his committed and skilled team.

"We're very proud of what we have achieved so far in Cheshire," says Colin. "Warrington coming on board is a major boost.

"Making these things work with all the different organisations involved is never easy. However, it's onward and upward with ITSO as far as Cheshire is concerned. If we can do it, there is no reason why the rest of the country cannot do it. All it takes is determination and commitment."



**The Cheshire Travelcard is used with an on-bus ticketing machine**

## Offering an easy route to smartcard procurement

**CENTRO is one of several organisations looking to cut costs on the lengthy and expensive procurement process often required in the public sector, along with delivering economies of scale.**

**To this end, Centro has set up a European (OJEU) procured framework for smartcard production and support services which can be accessed by any local authority or passenger transport executive (PTE) in Britain, as well as by bus operators.**

**They explain the Framework below.**

### Introduction

CENTRO has been responsible for the English National Concessionary Travel Scheme in the West Midlands for more than 40 years.

However, this responsibility will be a new one for many county councils looking to take over the scheme from the districts after April 2011.

Centro's own contracts relating to its successful smartcard scheme were coming up for renewal, as is now the case for many other authorities. They saw this as an opportunity to help local authorities through the transition process by setting

up a Smartcard Framework.

Centro sees this fitting with the current public sector vision of working together and doing more for less.

Transport Minister Norman Baker is supporting this type of partnership approach as it enables faster, cheaper and more integrated roll-outs of smart ticketing schemes.

### The Framework

Centro is offering the opportunity to make significant savings in smartcard procurement, covering requirements for the English National Concessionary Travel Scheme, and other concessionary and commercial schemes.

Local authorities, Integrated Transport Authorities and transport operators across the UK are now able to purchase their smartcard goods and services through the framework agreement without the need to tender.

Centro has established this arrangement through an OJEU tendering exercise on behalf of the aforementioned organisations.

They believe this will not only eliminate procurement effort, time and associated costs, but will also offer very competitive prices and high quality solutions from our appointed suppliers, reflecting the fact

that bulk orders can lead to economies of scale.

A Smartcard Framework has been established to:

- Provide blank or pre-printed plastic smartcards
- Secure local card printing and encoding with customer interface
- Secure remote card printing, encoding and distribution
- Provide a secure web-based database to maintain customer information and facilitate card production.

A key part of Centro's procurement was to appoint suppliers who were able to mobilise their solutions quickly, and with the ability to integrate their systems with many of the products and services currently used by local authorities in their smartcard schemes.

### Next Steps

Interested parties should contact [smartsolutions@centro.org.uk](mailto:smartsolutions@centro.org.uk) in the first instance for more details on the Framework.

Centro believes there are many benefits in working together, and this is an excellent opportunity for authorities to achieve significant cost savings and reduce procurement effort.



## Even more transport authorities are getting smart with ITSO schemes

**THERE is a flurry of migration activity ongoing at present, with a number of Travel Concession Authorities (TCAs) soon to launch smart schemes as ITSO Licensed Operators.**

In the North East, Nexus

Tyne and Wear is leading the way, whilst also going smart are Leicestershire in the East Midlands and Reading in the Thames Valley, with many more TCAs turning to ITSO for their smart ticketing needs.

In the South West, South

West Smart Applications Ltd (SWSAL) and the West of England Partnership are making significant strides towards the creation of a South West consortium which would be rolling out one of the largest ITSO schemes.

*Should you wish to discuss the above, or if you are interested in establishing a smart ticketing scheme, please contact Kim Clarke of Member Services by phoning 0121 634 3700 or emailing [kim.clarke@itso.org.uk](mailto:kim.clarke@itso.org.uk)*

## TEAM UPDATE: Building a team to deliver services members require

AS many of you know, we have been looking to build capability within the organisation to help us deliver the services you require and to achieve our [mission](#).

Some new staff have already been appointed and others are changing roles.

We are also about to interview, with Board directors on the panel, for a number of key roles, including Chief Technical Officer, Director of Member Services, Director of Finance and Commercial Services, and Head of Marketing and Communications.

In terms of continuity, ITSO is pleased to confirm that Mike Eastham and John Verity have



been appointed as Chief Advisor Technology and Chief Advisor Standards respectively – effective immediately.

Their wealth of knowledge and expertise will be key to moving ITSO forward and realising our vision.

**ITSO has moved its headquarters to Milton Keynes (picture) where there will also be a testing suite**

## STAFF PROFILES: Introducing some of the ITSO team

**WE thought it might be helpful for you to know a little bit about the ITSO team members you will be talking to and start this month with more information about three of those members.**

### **Ant McLaughlin, Business Analyst**

Since joining ITSO in 2008, Ant has predominantly been with ITSO Services Ltd (ISL) supporting 'non-smart' schemes. During this time he has gained a wealth of public sector and transport operator knowledge.

He has now been appointed as an ITSO Business Analyst, where his focus is on supporting both new and existing ITSO Licensed Operators to translate their needs and aspirations for smart schemes into achievable goals through business case modelling.

Ant continues working on the migration to new Travel Concession Authorities.

*Ant can be contacted by email (anthony.mclaughlin@itso.org.uk) or by telephone 0121 634 2757 or 07515 923766.*

### **Valentina Barker, Marketing and Research Manager**

Valentina has been with ITSO since 2005 working on a wide variety of communications and marketing projects.

She will carry on in her marketing role, with a new focus on research of market trends and developments and opportunities in smart ticketing and related fields.

*Valentina can be contacted on 07809*

*182389, email valentina.barker@itso.org.uk*

### **Sheila MacDonald, Communications Advisor**

Sheila joined ITSO in December from a background including journalism and public sector media relations and PR.

She will be working alongside Valentina and the new Head of Marketing and Communications, once appointed.

Her work to date has involved learning 'ITSO speak' and translating it into what she would call plain English (although she is Scottish!).

Sheila's work includes producing this monthly members newsletter and raising ITSO's positive profile in the news media. See below for Sheila's contact details.

## **Changes to your newsletter**

**IN THE past, ITSO has produced separate newsletters for ITSO members and those Travel Concession Authorities (TCAs) receiving services through ITSO Services Limited (ISL). Because we are all part of the ITSO community, it has been decided to produce just one newsletter but increase its frequency. Itsonews will now be sent to all on the first Wednesday of every month.**

**If you know of someone who would like to receive this newsletter, or no longer wish to receive it yourself, please contact Sheila MacDonald directly.**

**If you wish to contribute to itsonews please contact Sheila MacDonald, Communications Advisor, on 07880 683023**