The UK's National Digital 'Ticketing in the Cloud'

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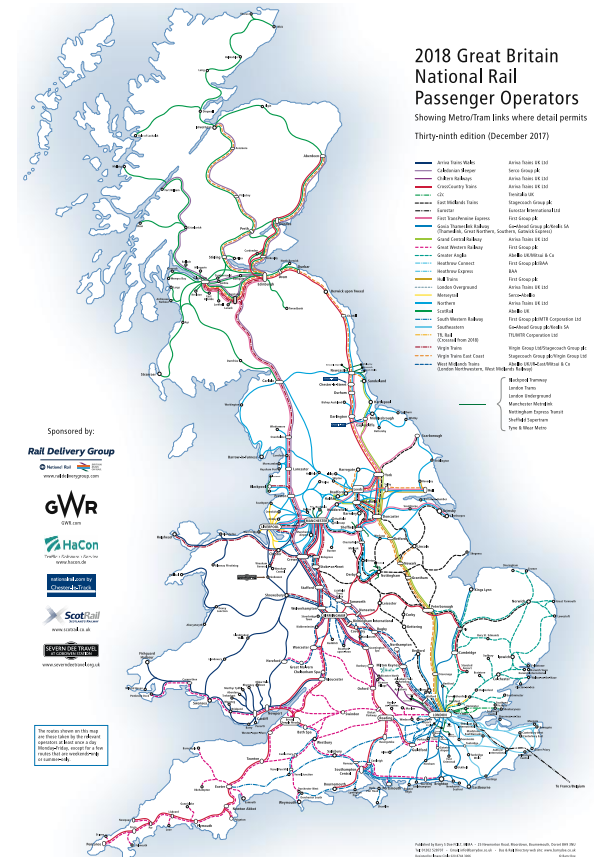
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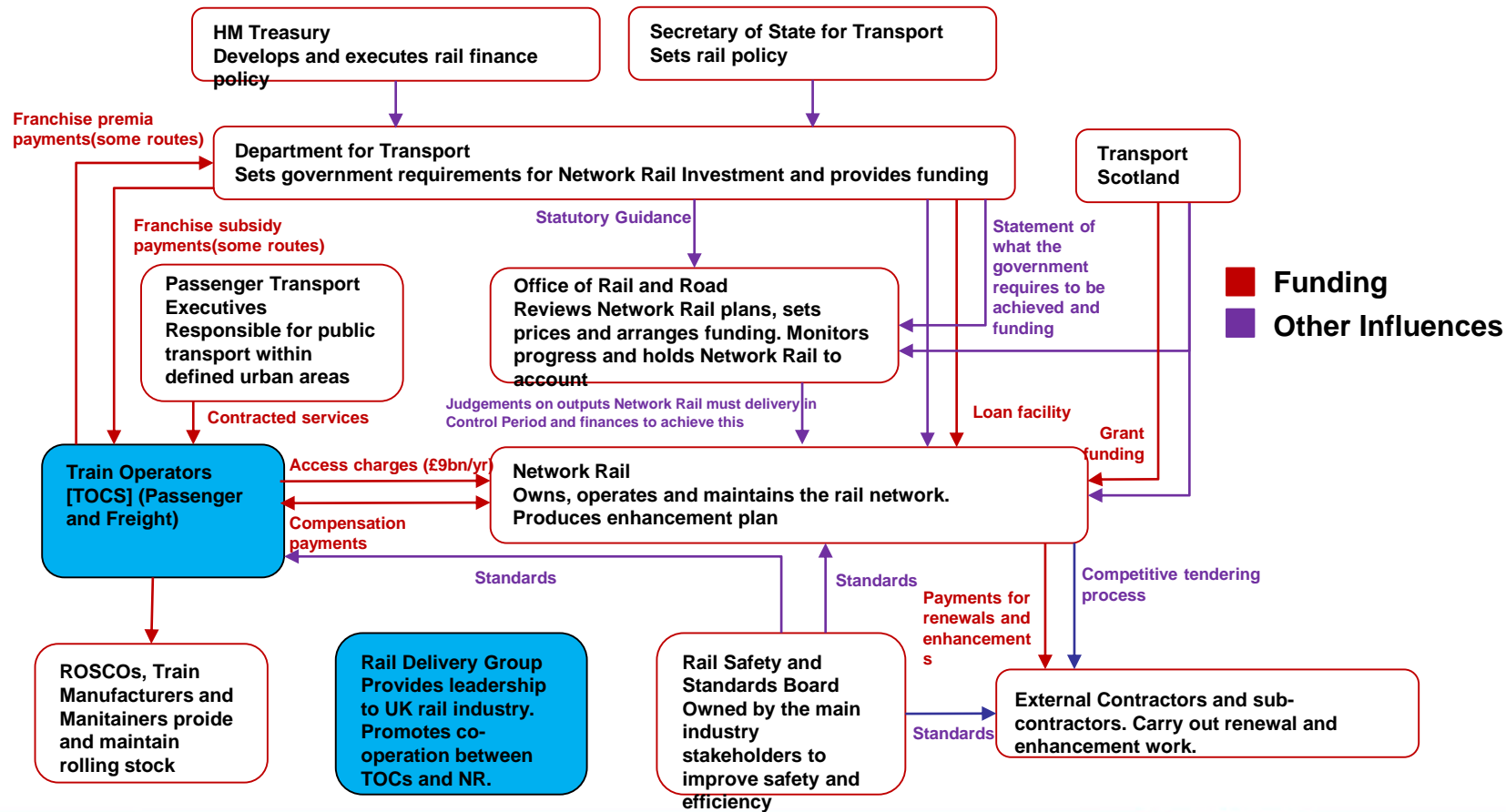
UK Railway environment

- Rail environment in the UK is complex

- 25 Rail operating companies

- City transport operators

- 1.73bn passenger journeys by train in 2017

- 1.4bn passenger journeys on London underground network

- 20,000miles of track and 2563 main line stations

2018 Great Britain
National Rail
Passenger Operators
Showing Metro/Tram links where detail permits

Thirty-ninth edition (December 2017)

Complex UK Rail Industry Relations

HM Treasury
Develops and executes rail finance policy

Secretary of State for Transport
Sets rail policy

Department for Transport
Sets government requirements for Network Rail Investment and provides funding

Transport Scotland

Franchise premia payments(some routes)

Franchise subsidy payments(some routes)

Statutory Guidance

Statement of what the government requires to be achieved and funding

Funding (red legend)
Other Influences (purple legend)

Passenger Transport Executives
Responsible for public transport within defined urban areas

Office of Rail and Road
Reviews Network Rail plans, sets prices and arranges funding. Monitors progress and holds Network Rail to account

Contracted services

Judgements on outputs Network Rail must delivery in Control Period and finances to achieve this

Loan facility

Grant funding

Train Operators [TOCS] (Passenger and Freight)

Access charges (£9bn/yr)

Network Rail
Owns, operates and maintains the rail network. Produces enhancement plan

Compensation payments

Standards

Standards

Competitive tendering process

Payments for renewals and enhancements

ROSCOs, Train Manufacturers and Manitainers proide and maintain rolling stock

Rail Delivery Group
Provides leadership to UK rail industry. Promotes co-operation between TOCs and NR.

Rail Safety and Standards Board
Owned by the main industry stakeholders to improve safety and efficiency

Standards

External Contractors and sub-contractors. Carry out renewal and enhancement work.

Train Operator Franchises

- Rail Franchises are let against the schedule provided by the Department of Transport
- Franchise length is between 7 and 10 years
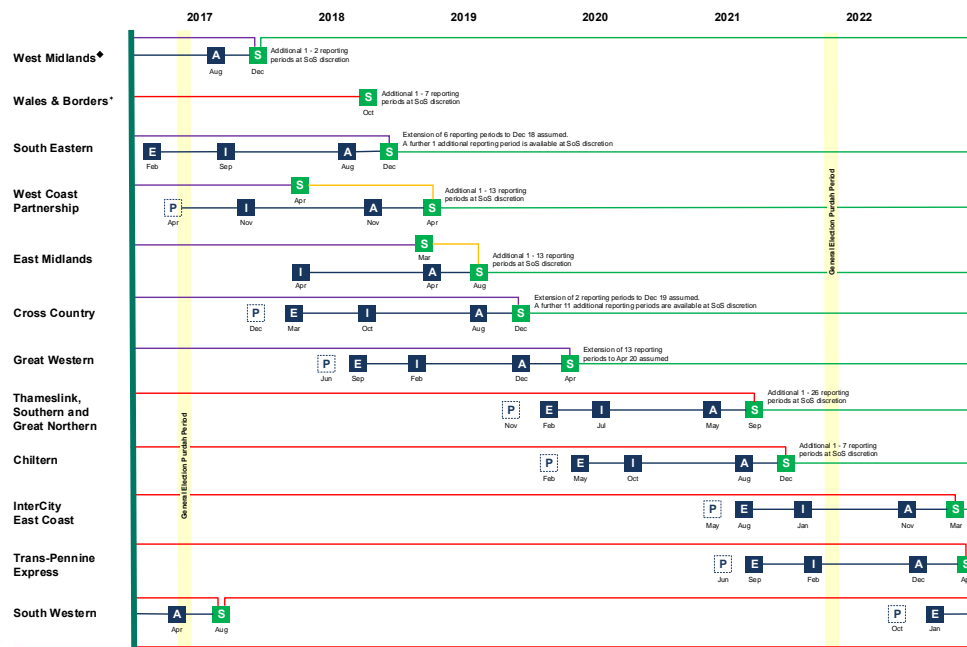
Rail Delivery Group - Mobile Ticketing

"We should be able to travel everywhere with the flick of a card, or more probably a touch of the mobile phone"

The combination of Barcode, Digital Wallet and Smart Card will provide coverage of 100% of journey types.

BARCODE	SMART CARD	DIGITAL WALLET
A square ticket, delivered to your phone	A plastic card ticket, pre-loaded with your journey	A ticketing loaded to your phone's digital wallet

78% of journeys optimally supported

100% of journeys optimally supported

Islands of Innovation

- Different ticketing types and payment methods

Where in the UK can I use tickets on my phone?*
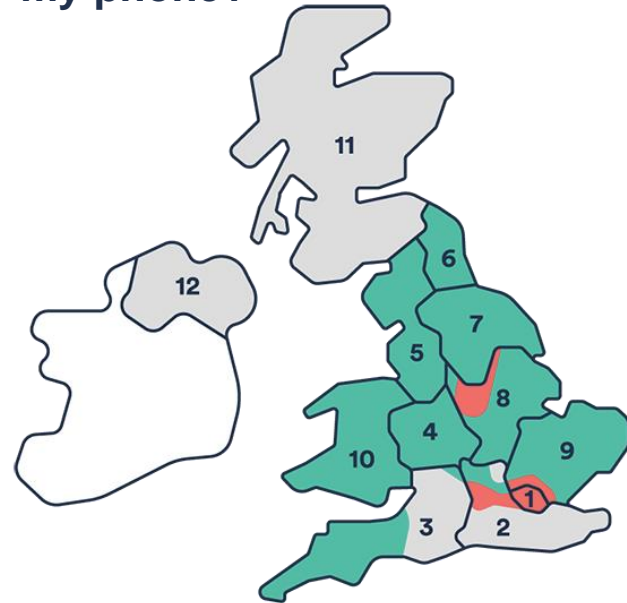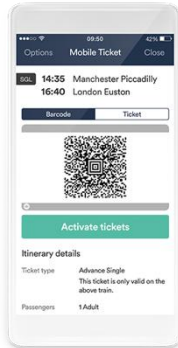
- **All routes**
- **Limited availability**
- **Coming soon**

Goals of the Bar Code acceptance programme

- Build on the standard of barcode - technology is available and customers like to use it

- Bridge the gap between smart card and digital wallet for customer journeys

- Agree a method of funding through cost recovery that allows for the investment in infrastructure to take place
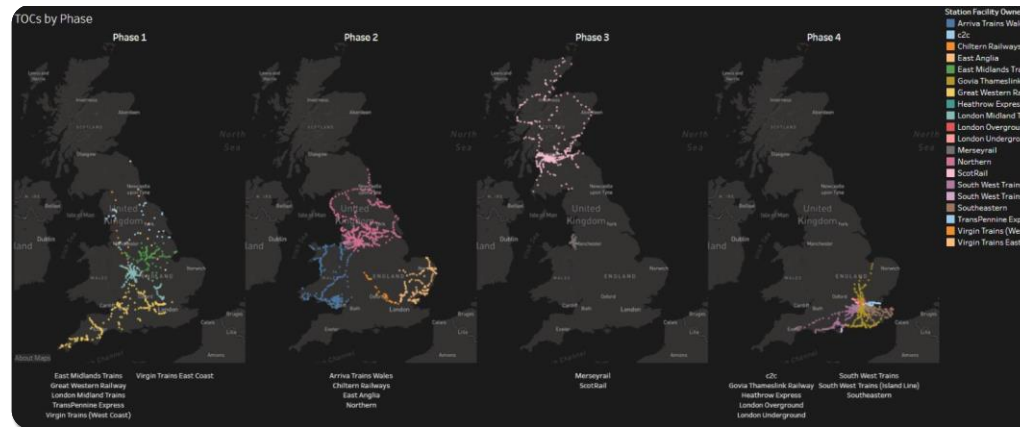
Barcode Acceptance Business Case

- Investment funding required to upgrade infrastructure for issuing and reading barcode tickets

- Complex model taking into account TOC projects, station data, journey data and other sources to develop a cost recovery model.

- Cost Recovery model developed to apportion a fee from every ticket sold to pay for the investment and opex required

- Stakeholder engagement with finance directors across owning groups to gain agreement of the recovery models

- Gained sign off in Nov 2016 with the cost recovery mechanism commencing in Nov 2017 and full implementation complete by March 2019
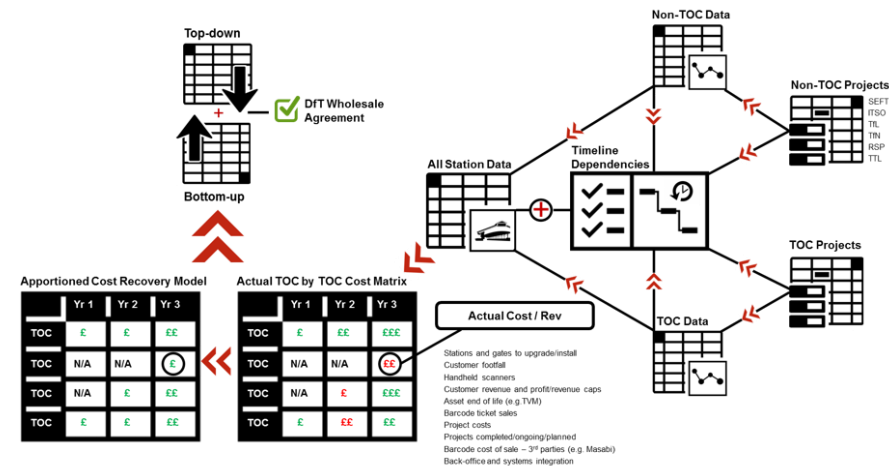
Lessons from the work - Project

1. STAKEHOLDER MANAGEMENT
2. MODEL COMPLEXITY AND DRIVING THIS TOP DOWN
3. FOCUS ON GOAL OF BETTER CUSTOMER EXPERIENCE

Lessons from the work - Macro

1. RAIL GENETICS: SPEED, FLEXIBILITY & SUPPLY-CHAIN

2. FUNDING: INNOVATION, INCENTIVISATION & NEGOTIATION

3. STRATEGIC PROCESS: TRULY CUSTOMER-INSIGHT-LED

Thank you!

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Moderator: Moderator's Name

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