



Transport & Infrastructure Committee	Agenda Item
12th July 2023	6

Title:	ITSO approved Contracts for English National Concessionary Travel Scheme (ENCTS)
Report of:	Bess Sayers, Public Transport Business Manager
Lead Member:	Deputy Mayor, Cllr Anna Smith
Public Report:	Yes
Key Decision:	KD2023/027
Voting Arrangements:	A simple majority of voting Members

Recommendations:	
A	To note the content of the paper and offer feedback on the options propose for the delivery of the contracts for HOPS and Smartcard Services.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
1	Increased connectivity: The ENCTS encourages the use of public transport and so contributes to ridership making routes more viable and supports the connectivity agenda.
2	Enabling resilient communities: The purpose of the ENCTS is to provide eligible residents with a bus pass enabling people who are often in the more vulnerable and disadvantaged groups to access essential services such as medical appointments and shopping and social and leisure activities and so avoid social isolation. Passholders are given independence and so may be less reliant on other social and support services.

1. Purpose	
1.1	<p>The Combined Authority is the Travel Concession Authority (TCA) acting on behalf of the Department for Transport (DfT) for the purposes of administering the Statutory English National Concessionary Travel Scheme (ENCTS) for Cambridgeshire and Peterborough residents. This scheme provides concessionary travel passes (bus pass) to eligible older and disabled residents allowing them off-peak travel on scheduled bus services across England.</p> <p>The rules for eligibility and guidance relating to how TCAs operate the scheme are set by the DfT. These rules cover the requirement for a Host Operated Processing System (HOPS) and a card bureau to print smart enabled passes.</p> <p>The HOPS registers pass use on public transport using a POST (smartcard reader system) on the bus. The purpose of this smart tracking system is primarily to prevent fraudulent use of the scheme and to</p>

	<p>enable auditing of operator reimbursement claims. It also enables the tracking of vulnerable individuals in cooperation with Police should the situation arise.</p> <p>The design and technical specification of the passes is set by the DfT.</p> <p>The DfT specifies that all TCAs and suppliers of support services to them for the purposes of the ENCTS must be accredited Integrated Transport Smartcard Organisation (ITSO), the body that oversees the development of the specification for smart ticketing.</p>
1.2	<p>The budget for HOPS and Smartcard provision transferred to the Combined Authority upon TUPE of the services. This is a statutory function, and these services are required by DfT legislation. Based on the current 12-month framework agreement a 5-year contract is estimated to cost £550k considering price increases in raw materials such as silicon chips and plastic.</p> <p>The current budget for 23/24 is £106,441, with the current budgeted 2% increase in the Levy funded budget each year the total budget over 5 years is £554k so anticipated to cover the costs.</p> <p>The budget is part of the concessionary fares budget approved in the current MTFP.</p>

2. Proposal

2.1	<p>The usual period of contract for this type of service is up to 5 years due to the development to integrate supplier services with the application and customer relations management systems and to comply with DfT requirements to provide an efficient, seamless and General Data Protection Regulation (GDPR) compliant process.</p> <p>The budget is part of the concessionary fares budget approved in the current MTFP.</p>
2.2	<p>The ENCTS is statutory and enables the Combined Authority to fulfil its role as a TCA.</p> <p>Providing eligible residents with a bus pass enables people who are often in the more vulnerable and disadvantaged groups to access essential services such as medical appointments and shopping and social and leisure activities and so avoid social isolation. Passholders are given independence and so may be less reliant on other social and support services. This is the purpose of the ENCTS scheme.</p> <p>When the ENCTS was centralised from districts in 2011, Peterborough City Council and Cambridgeshire County Council obtained a budget to procure the required support services. This budget was increased when new contract was obtained and transferred to the Combined Authority as part of the TUPE of the two separate services.</p> <p>The ENCTS encourages the use of public transport and so contributes to ridership making routes more viable and supports the connectivity agenda</p>

3. Background

3.1	<p>Prior to April 2021 the running of the ENCTS was delegated to the Public Transport Services at Cambridgeshire County Council and to Peterborough City Council to run the scheme in the respective areas.</p> <p>In 2019, Cambridgeshire County's Public Transport Service took the lead in procuring a framework agreement for HOPS and Smartcard services that complied with DfT and ITSO requirements. The volume of ENCTS passes was small and to obtain best value and economies of scale, the framework was opened to include ENCTS and Home to School Services at Peterborough and Northamptonshire and Community Transport and Home to School Driver Data and Barring Service ID badges and staff ID badges at Cambridgeshire County.</p> <p>Since this framework was procured several larger ITSO approved, tendered frameworks have become available that Local Authorities and TCAs can join. These achieved the economies of scale that the <i>County Framework</i> endeavoured to achieve and have already been competitively tendered.</p>
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	<p>The ENCTS services for Cambridgeshire and Peterborough were TUPEd to the Combined Authority in 2021 along with other parts of public transport including Community Transport. A project began on 2022 to combine the two separate ENCTS processes under the existing process and service level agreement with County Council.</p> <p>This was considered appropriate because the volume of Peterborough pass holders is around a third of the volume of that of Cambridgeshire ones. In addition, the Cambridgeshire ENCTS processes were considered more compliant with both DfT rules and with General Data Protection Regulations and more services such as telephone and library applications could be offered to Peterborough residents for the first time. This project delivered in February 2023, and there is a total of @170,000 passholders over the combined area.</p> <p>The Data and Barring Service for Community Transport volunteer drivers also transferred to the Combined Authority. This amounts to about 100 drivers and each pass is valid for a period of 3 years, so the annual volume is negligible.</p> <p>Cambridgeshire County Council are currently leading a project with the Combined Authority's Public Transport team to upgrade to a more flexible and up to date platform for the ENCTS service. They have recommended that the Combined Authority maintain the same suppliers of ITSO Services as the extra development of new integrations introduces unnecessary risk and delays into the project. This project is expected to deliver in 2024/25.</p> <p>The <i>County Framework</i> contract expired on 31st March 2023 and to ensure service continuity, with Transport and Infrastructure Committee agreement the Combined Authority obtained a 12-month contract with the existing suppliers through one of these for the ENCTS and DBS schemes. The West Midlands 'Swiftcard' framework ends on 31st March 2024. Under the existing contract the arrangements can be extended for a further 12 months from 1st April 2024. It is preferred not to extend the contract if possible due to ongoing price increases in the market for raw materials such as silicon chips and plastic.</p> <p>Northamptonshire has now split into two Unitaries that have separately utilised the same framework for its services. Cambridgeshire County Council has moved to in-house printing of staff passes and Home to School Services for Cambridgeshire and Peterborough have obtained their own contract through the same framework as the Combined Authority and the two Northamptonshire Unitaries.</p>
3.2	<p>DfT guidance to TCAs in relation to how to deliver the ENCTS will be used to develop our proposal and this will be done in conjunction with the Interim Head of Transport, with advice from the Legal and Procurement Teams.</p>
3.3	<p>An alternative option would be to go out to open tender or to extend the current contract for a further 12 months as per the terms of the contract. The Combined Authority's requirement for ENCTS and DBS volume-wise is low. This was the reason that Cambridgeshire led the procurement of its own wider framework during 2018/19 to include partners and other services to obtain better value. This cannot be repeated with previous partners who have now made other long arrangements.</p> <p>Most TCAs and other services with ITSO requirements now utilise existing frameworks. This is partly because of best value, partly because the list of ITSO accredited suppliers is limited. Based on previous experience, procuring to the DfT/ITSO technical specifications is a long, complex, and costly process that requires input from several other services.</p> <p>Going to open tender risks a change of suppliers during the Cambridgeshire County Council led project to move the ENCTS on a more modern and flexible platform which introduces risk and cost due to the requirement for extra integration development.</p> <p>In addition, a thorough assessment will be undertaken as to whether the work could be delivered in-house. It is likely that at the present time, the Combined Authority does not have the appropriate accreditation, level of technology, capacity and/or expertise to deliver such a scheme; however the results of the assessment will be provided in due course when a decision is required on the next steps, This is currently expected at the September 2023 Transport and Infrastructure Committee.</p>

4. Appendices

4.1	N/A.
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5. Implications

Financial Implications

5.1	<p>The budget for HOPS and Smartcard provision transferred to the Combined Authority upon TUPE of the services. This is a statutory function, and these services are required by DfT legislation. The budget for the provision of these services is part of the concessionary fares' allocation in the MTFP and, assuming continuation of the current 2% increase into year-5 the budget for the 5- year period would be £554k</p> <p>Based on the current 12-month framework agreement a 5-year contract is estimated to cost in the region of £550k so anticipated within budget. Considering price increases in raw materials such as silicon chips and plastic. Because of ongoing increases in price of raw materials it is preferred to enter a longer contract rather than use the extension available in the current contract.</p>
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Legal Implications

6.1	<p>The estimated value of the proposed contract(s) is in excess of the procurement threshold for services under the Public Contracts Regulations 2015 (PCR 2015). The PCR 2015 permits the use of framework agreements to procure services. The specific framework proposed will need to be checked for suitability and compliance and to ensure that it is permissible for the Combined Authority to use it. The Combined Authority will need to comply with the call-off procedures set out in the framework.</p>
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Public Health Implications

7.1	N/A
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Environmental & Climate Change Implications

8.1	N/A
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Other Significant Implications

9.1	N/A
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Background Papers

10.1	N/A
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