



Integrated Smartcard Ticketing in Oxford, the SmartZone

February 2015

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With support from Strata Consultants

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1. Executive Summary

- 1.1. In 2011, the two main bus operators in the city of Oxford introduced an inter-operable smart ticketing system known as the SmartZone. Meanwhile, many other parts of the country have faced significant challenges in attempting to introduce inter-operable smart ticketing in deregulated bus markets. The Oxford system has therefore attracted considerable attention and it has been suggested that it could offer valuable lessons for other areas.
- 1.2. This paper explains the context within which the scheme was developed and describes the key features of bus ticketing in the city of Oxford and in its wider travel to work area. The paper then compares the Oxford system with the aspirations of Passenger Transport Executives (PTEs), Integrated Transport Authorities (ITAs) and Combined Authorities (CAs) for smart integrated ticketing (in the remaining of the report, the use of the term PTEs refers to PTEs, ITAs and CAs).
- 1.3. Our analysis is based on a snapshot of Oxford's bus network, fares and ticketing, based on available information as of January 2015. It's important to bear in mind that the situation will of course evolve over time and that some facts might change.
- 1.4. As there is limited published information about the SmartZone scheme, we have had to rely on often incomplete information from a multitude of sources, including Local Authority reports, Google Maps (as a source of timetable information), academic papers, analysis by the Competition Commission and Passenger Focus as well as operators' own websites, annual reports, annual accounts, press releases and customer services. Although we have attempted to cross-check information wherever feasible, it is possible that some inconsistencies remain.

Key findings

- 1.5. The city of Oxford is a special place with a possibly unique set of factors as regards transport policy and market structure. These factors have played an important role in the development of the SmartZone system.
- 1.6. Firstly, **the urban bus network is almost entirely concentrated in the hands of only two main operating groups whose services overlap on all of the six main corridors radiating from the city centre. Moreover, the two operating groups each have close to a 50% market share.** This is in stark contrast with most other parts of the country, where there is either a clearly dominant operator, or where there is a dominant operator in each of several neighbouring areas. This duopoly could easily degenerate into unstable price and timetable competition (as was the case in the mid-1990s) which is unlikely to be in the interest of either operator. This therefore creates an incentive for coordination.
- 1.7. Secondly, **Oxfordshire County Council has played a key role in further motivating operators to work together, even if it was not directly involved with the development and operation of the SmartZone scheme.** Oxford has benefitted from years of pro-bus measures pursued by local authorities, in part stemming from the sensitive nature of the city's built environment and the constraints which this has imposed on expanding road capacity and parking supply. But buses eventually became a victim of their own success and were seen as a major contributor to congestion and air pollution in the city centre. The need to reduce both bus volumes and their emissions therefore became a major concern for Oxfordshire County Council over the last decade.

- 1.8. Faced with the threat of a Low Emissions Zone and the imposition of arbitrary constraints on the number of buses entering Oxford city centre, the two main operators in the city agreed to coordinate timetables and to simultaneously reduce the total number of services being operated on key radial corridors. In order to minimise the impact of service reductions on passengers it was necessary to introduce common ticketing arrangements. As both operators already offered their own separate smart tickets at that point, the ticketing scheme had to cover this medium.
- 1.9. Despite Oxford's unique context, **the SmartZone system does demonstrate that private operators working in a deregulated environment can implement inter-operable tickets on smart media with limited local authority involvement.** Although there seems to be no publicly available information on the level of take-up of SmartZone products and of smart ticketing amongst bus passengers in the Oxford area, research by Passenger Focus suggests that awareness of SmartZone products is relatively high, at least amongst some passenger groups. However, this information is insufficient to assess the degree of penetration of smart ticketing across bus passengers as a whole or how SmartZone products and the overall fare structure is perceived.
- 1.10. Moreover, **our detailed analysis of the overall bus ticketing offer in Oxford and the surrounding area highlights a number of potential weaknesses of an operator-led solution**, which are summarised below.
- 1.11. One obvious issue is that **pricing is jointly determined by Go-Ahead and Stagecoach¹, without any oversight or involvement from third parties (including the LTA).** Oxford SmartZone is priced at a £1 premium for a weekly ticket relative to single operator prices (which start from £14.50 for a single operator's services within the SmartZone area), but premia relative to single operator tickets for SmartZone products valid for travel in areas outside the zone can be considerably higher (up to around 30%).
- 1.12. Another important issue is that SmartZone has made only a modest contribution towards simplifying the existing public transport fare structure. In effect, **it could be argued that SmartZone has made an already complex ticketing offer even more complicated:**
- SmartZone is in effect a family of inter-operable ticketing products rather than a physical card or an overarching ticketing brand;
 - SmartZone is also used to describe the geographical area within which SmartZone products are valid; however, other competing geographical descriptions also exist, including Go-Ahead's 'CityZone', Stagecoach's 'MegaRider Plus' and Arriva's 'Oxford zone';
 - SmartZone products are sold and marketed alongside a range of other single operator tickets, with only limited advice provided to passengers;
 - SmartZone products are in direct competition with equivalent single operator tickets valid within a similar geographical area and both operators also offer their own discounted period tickets for larger geographical areas with a SmartZone add-on;
 - The introduction of SmartZone products has created additional product restrictions and retail methods;

¹ Each company determines its own pricing for single operator products and they do not raise prices at the same time, though it is difficult to see how they can carry out this exercise totally independently.

- SmartZone does not currently offer a stored travel rights/'pay as you go' (PAYG) option or a capped PAYG product similar to that implemented in London's Oyster card.
- 1.13. In addition to fare structure complexity, **the SmartZone system also suffers from lack of common branding or consistent marketing and information, which contribute to a confusing user experience:**
- A SmartZone-branded smart card does not exist. Instead, passengers use Go-Ahead's ('the key') or Stagecoach's ('stagecoachsmart') own smartcards onto which they can load SmartZone products via each of the operator's separate retail channels;
 - Branding and marketing of SmartZone products is inconsistent across the two operators; information is provided separately by each operators, mostly using their own formats and corporate image; in some cases, there are inconsistencies in the information provided by each operator;
 - There isn't an impartial source of information and advice on public transport ticketing;
 - The two operators do not offer consistent retail and ticket fulfilment channels; passengers must decide in advance whose company's services will be used for their first trip and for subsequent renewals;
 - The SmartZone geography, the geographical validity of alternative products and the pricing premia between products can appear arbitrary and confusing; in practice, this contributes to a postcode lottery whereby passengers making fairly similar journeys are faced with large differences in price and ticketing product choice.
- 1.14. Finally, it is important to underline that **SmartZone is not a truly integrated solution or a common smart ticketing platform²**, it is an inter-operable ticketing agreement between the two dominant groups valid across a relatively narrow geographical area. A true multi-operator ticketing product valid across Oxford's travel to work area³ does not exist and neither is SmartZone a multi-modal product at present. **This reduces the potential cost savings and wider benefits from smart ticketing and is also likely to create some operational challenges for the future expansion of the scheme:**
- It creates high cost of entry, and potentially also other barriers, for operators wishing to join the scheme, which could undermine moves towards a truly pan-operator solution;
 - It could lead to cost duplication and increased potential for implementation glitches as each new operator needs to set up its own independent smart ticketing infrastructure;
 - There is no guarantee that smartcard data will be made available to Local Transport Authorities for transport planning purposes.
- 1.15. Although we expect there is much more which can be learnt from the Oxford experience with smart ticketing, we believe that these lessons are likely to be of greatest value to places with limited or no tradition of integrated public transport ticketing.
- 1.16. PTE areas, on the other hand, have had longstanding, pan-operator tickets valid across entire functional areas, which are marketed and retailed through a set of co-ordinated channels. Since the SmartZone scheme was originally introduced, PTEs have also made

² In the sense that there isn't a common physical card, a common retailing and fulfilment network or a common back-office.

³ For example, allowing a passenger to travel from Banbury, Northwest of Oxford, to Didcot, in the South of the county, on a single ticket.

significant progress in moving these tickets onto smart media. As a result, the 'Oxford approach', with the Local Transport Authority (LTA) 'on the outside', participation limited to two operating groups only and a highly complex passenger experience would therefore most likely be a backwards step in areas, such as PTEs, where fully integrated ticketing is well established and LTAs have invested in smart ticketing infrastructure open to any operators willing to join the scheme.

2. Background

- 2.1. The implementation of smart ticketing in Oxford, under the SmartZone brand, appears, to many informed observers, to have broken new ground in delivering a multi-operator ticket in a UK deregulated context, and is being lauded as a rare beacon of good practice, pointing the way to achieving integrated ticketing in cities throughout Britain.
- 2.2. For instance, the House of Commons Transport Select Committee reported:

“We visited Oxford to learn more about partnership working from the operators, local authority and bus users. Stagecoach and the Oxford Bus Company have registered a Voluntary Partnership Agreement (...) which allows them to coordinate timetables and ticketing.

*We found the visit helpful and the results encouraging. **The companies have jointly introduced a SmartZone smartcard that allows passengers to travel on any local bus in the Oxford area.** In addition, bus services have been rationalised, in cooperation with Oxfordshire County Council, in order to reduce congestion and pollution in the historic city centre streets. Passenger numbers have increased and the city centre environment has improved.*

*A clear message that we took away was that successful partnerships come from building long-term relationships and mutual respect. In the case of Oxford, the right legal framework was also crucial to enable coordination of services and ticketing. (...) **We support partnership working as the most realistic means of delivering service improvements at current public spending levels in most areas. (...) The wider introduction of smart cards, as in Oxford, should reduce some of the practical challenges associated with multi-operator ticketing.**”⁴*

- 2.3. And in their recent market research study in Oxford, Passenger Focus concluded:

*“Overall, it seems that operators in Oxford have done a good job with SmartZone and with smart ticketing more specifically. **Awareness of the scheme is high, improvements to bus services have been seen by all passengers, and the multi-operator ticketing arrangements were welcomed. The mechanics of smartcard purchase, top-up and usage are all working well and there is high satisfaction.**”⁵*

- 2.4. This evidence raises some important issues for PTEs who, for over a decade⁶, have been working to introduce smart multi-operator tickets in their areas, with varying degrees of success. Most importantly, it suggests that bus operators, working in a deregulated environment, can introduce the simple, attractive and integrated tickets which passengers demand. This, in turn, questions the need and rationale for local authority intervention.
- 2.5. In order to assess whether this is indeed the case, it becomes important to understand the details of the SmartZone scheme to determine its relevance and possible lessons for other parts of the country. Some of the key questions confronting PTEs in the light of this evidence include: how does the Oxford scheme differ from the schemes already in operation or in the

⁴ ‘Competition in the local bus market’, Transport Select Committee, House of Commons, September 2012; our bold

⁵ ‘Smart ticketing: Oxford Smartzone’, Passenger Focus, September 2013; our bold

⁶ In 2001, Greater Manchester PTE and Merseyside PTE (now Merseytravel) agreed to lend ITSO Ltd the sum of £1.5m for the purpose of the development of a common smart ticketing specification. The loan was to be repaid from future fees generated from the implementation of interoperable smartcard ticketing schemes by ITSO Ltd’s member organisations. At the same time, TfL’s Oyster card was being developed through a PFI contract with TranSys, which had begun in 1998. The Oyster card came into operation in 2003.

process of being implemented in PTE areas; does the Oxford scheme offer the London-style simple, smart and integrated ticketing which passengers demand; and, finally, does the Oxford evidence suggest that private operators elsewhere will introduce these types of ticket without local authority involvement?

- 2.6. This note seeks to address these and other issues by considering the history of bus service development in Oxford, before describing the public transport market structure and ticketing offer in the city of Oxford and its surrounding area. It then briefly reviews the Passenger Focus research undertaken in 2013, before drawing conclusions for PTEs and Combined Authorities.

3. Policy context

Geography

- 3.1. The city of Oxford is by far the largest urban area within Oxfordshire, with a population of around 165,000, or about a seventh of the population of the smallest PTE area. The administrative boundary of the city is fairly tightly drawn around the centre and extends just 6.5km at its furthest point from the city centre. Oxfordshire has a population of 639,000⁷ and an area of 2,600 km². This is equivalent, for example, to about 1.3 times the land area of West Yorkshire but with less than a third of the population. The city of Oxford is also within commuting distance of parts of Buckinghamshire, Berkshire, Wiltshire and Gloucestershire. Buckingham, Aylesbury, High Wycombe, Reading, Newbury and Swindon are all under one hour's drive from the city. Commuter flows to London are also a significant generator of travel by bus and rail.

Transport policy and historical context

- 3.2. There has been a long period of pro-bus transport policies in Oxford stretching back to the 1960s, and there is a consistent history of partnership between local authorities and operators. Infrastructure investment, mainly in the form of bus lanes and Park & Ride, has been significant. Quality Bus Partnerships were entered into in 1998 and this partnership was updated and superseded by an agreement in 2006 (copy annexed to this note). These have tended to be general statements of jointly held principles rather than specific, legally binding agreements.
- 3.3. The Oxford Bus Company (part of Go-Ahead since 1994 and municipally owned prior to that) historically provided for the majority of local journeys in the city, with the rural hinterland and inter-urban markets served by companies that are now part of the Stagecoach group and by Thames Travel – acquired in 2011 by the Go-Ahead group. Historically, local sub-markets remained segregated, sometimes enforced by stopping restrictions, though companies now owned by Stagecoach gradually infiltrated the urban market, beginning with mini-bus competition in the early days of deregulation⁸. In the mid-1990s, prior to Stagecoach entry into the Oxford market, the city saw two years of intense timetable and price competition. Network structure seems to have changed in a more incremental way since then.

⁷ The Competition Commission undertook a [case study of Oxford](#) as part of their Local Bus Services Investigation and published it in January 2011. This information is taken from that case study, which includes a helpful summary of the key characteristics of the Oxford area, the local transport strategy, and the nature of bus competition

⁸ http://en.wikipedia.org/wiki/Oxford_Bus_Company

- 3.4. Like all long-standing partnerships, the going has not been entirely smooth and in 2010 the Leader of the LTA (Oxfordshire County Council) issued a strong challenge to bus operators to do better, primarily in response to congestion in the city – not least that caused by buses – and, to a lesser degree, to address air quality concerns in the city centre. The two major operators (Stagecoach and the Oxford Bus Company) responded to this challenge by proposing an agreement between them to reduce frequencies on heavily trafficked radials, while mitigating the resulting effect on passengers by co-ordinating timetables and stopping patterns, and by introducing an interoperable ticketing scheme alongside their own separate commercial offers.
- 3.5. Although most inter-operable period tickets are now available on smart media, the agreement would, in principle, have worked in a similar way with paper based tickets, were it not for the fact that the two operators were at that point committed to smart ticketing already and Go-Ahead's "the key" was particularly popular, with 20,000 card users (source: Oxford Bus Company's 2012 annual accounts). In the absence of interoperability between smart products, each bus company would have been unable to assess the validity of a smart ticket issued by the other company.
- 3.6. Although the agreement and ticketing scheme were originally announced in the first quarter of 2011, it wasn't until late Summer that year that they actually came into operation. We understand from Go-Ahead companies' annual accounts that this was due to technical issues in implementing smart ticketing inter-operability.
- 3.7. The proposed service changes required a Qualifying Agreement under the amendments to the Transport Act 2000 introduced in 2008, as the co-ordination of different operators' services contravenes competition law. The companies drafted an agreement between them, and this was signed off by the LTA, which determined it to be not contrary to the public interest. The agreement remains private.
- 3.8. Go- Ahead describes recent partnership developments as follows: *"During 2011, the partnership philosophy was extended to embrace other operators as well as local authorities. A pioneering partnership made possible under the 2008 Local Transport Act has allowed services to be coordinated on four corridors between Oxford Bus and Stagecoach, with the approval of Oxfordshire County Council, and smartcard ticketing has been made inter-available between operators. This has resulted in a reduction of up to 25% in the number of buses in some environmentally sensitive streets in central Oxford, whilst service frequency and capacity has been maintained. The popularity of this scene (sic) has significantly grown in 2012 and has been shortlisted in the innovation category at the UK Bus Awards."*⁹

4. Network and market structure

- 4.1. Oxford has a relatively simple radial bus network with six main corridors, converging to four just short of the city centre. There is also a small number of orbital routes to the East of the city. There are two major operating groups in the area, Go-Ahead and Stagecoach, which control most of the market through a combination of operating companies and brands. Go-Ahead Group plc. owns Oxford Bus Company (which operates Park&Ride branded services 300, 400 and 500, and Brookesbus branded services, operated under contract with Oxford

⁹ Go-Ahead corporate [website](#) (as at 28 November 2014)

Brookes University) and Thames Travel¹⁰; Stagecoach Group plc. controls Stagecoach in Oxfordshire (formally Thames Transit Ltd). Other Stagecoach companies in neighbouring areas include Stagecoach West (Gloucestershire and Wiltshire) and Stagecoach East (Cambridgeshire)¹¹, which operate, respectively, the 66 Gold and X5 long distance services from Swindon and Cambridge to Oxford. Stagecoach in Oxfordshire operates hospital park & ride services 700, 800 and 900 under contract to Oxfordshire County Council. In addition, the two groups also operate three high frequency long distance coach services, two to London and one to Gatwick airport, which are likely to generate a considerable proportion of the operating companies' turnover¹².

- 4.2. Arriva is the dominant operator in the neighbouring county of Buckinghamshire and operates a 20 minute headway service between Aylesbury and Oxford (#280 Sapphire), which provides about 20% of the core capacity along the main eastern corridor between Wheatley, Headington and Oxford city centre (A40/A420/London Rd via Magdalen Bridge). A couple of smaller operators have a visible presence around the Eastern fringes of Oxford¹³.
- 4.3. The local network maps for Stagecoach¹⁴, Oxford Bus and Thames Travel are attached as Figures 1, 2 and 3 respectively. Figure 4 shows the bus network available within the SmartZone area.
- 4.4. The Competition Commission (CC) produced a case study of Oxford as part of its wider inquiry into the bus industry in Great Britain which ran between 2010 and 2011, in which it estimated market shares in the city to be 48.1% Go-Ahead, 40.1% Stagecoach and 4.9% RH Transport. It stated that the balance of 6.9% comprised a number of other operators including Arriva, Heyfordian and Thames Travel (which was acquired by the Go-Ahead group in 2011, after the CC report had been completed). Since the analysis, the third largest operator RH Travel has ceased to trade¹⁵, having entered administration in October 2012¹⁶ and had its assets sold soon afterwards. Together with the acquisition and expansion of Thames Travel by Go-Ahead, the two largest groups have thus reinforced their dominant position, with their joint market share now estimated to be over 95% in the SmartZone area (see table 1).
- 4.5. From a financial point of view, profit margins for Stagecoach and Oxford Bus Company seem robust and have remained broadly stable for the past five years. Stagecoach has delivered annual operating margins (i.e. pre-tax profits as a percentage of turnover), in the range 14-20%, compared to figures in the 8-11% range for Oxford Bus Company. On the

¹⁰ Thames Travel is primarily an inter-urban operator (see Figure 3) covering the south Oxfordshire area including Farringdon, Wantage, Abingdon, Wallingford and Reading. Some of its routes serve Oxford entering by southern corridors, mainly the Abingdon Road. A few of its services also extend northward from the city to the Bicester area. BrookesBus is a brand operated under contract with Oxford Brookes University and serves its campuses and student residences, offering concessionary fares to the university's students. The Park&Ride services (300, 400, 500) are operated commercially.

¹¹ Stagecoach in Oxfordshire operates within Oxford and from a number of sites in the West and North of the county; Stagecoach West, operates one service into the city from Swindon (#66 Gold); Stagecoach East operates one long-distance service into the city from Cambridge via Bedford, MK and Bicester (X5).

¹² Based on published timetables and fare structures, and by making some assumptions regarding load factors and demand profiles, we estimate that each of the London-bound services generate annual revenue in excess of £5 million.

¹³ These include, Heyfordian Travel and Red Rose Travel.

¹⁴ It should be noted that not all the Stagecoach services appear on the Stagecoach map (figure 1), because Stagecoach include only those services on which they wish the local megarider and SmartZone ticket to be valid. It is not known whether this is because of commercial and/or operational reasons, but it indicates that majority, yet incomplete, integration can sometimes be the optimal solution for large operators leading on ticketing projects.

¹⁵ An Oxford County Council source considers that the failure of RH Transport was unrelated to their exclusion from the joint ticketing arrangement introduced a little over a year earlier.

¹⁶ [BBC report](#) dated 5 October 2012 (accessed 28 November 2014)

other hand, both companies' turnovers (which include revenue from London coach services) have grown robustly over the past 10 years: +68% for Stagecoach (about twice the rate of inflation) and +41% for Oxford Bus Company. Thames Travel has twice made a loss since it was acquired by Go-Ahead in 2011, though on a comparatively smaller turnover.

4.6. Table 1 provides a summary of the current market structure in the local area, including our estimates of turnover for each of the main operating companies within the Oxford SmartZone area.

Table 1. Bus market structure in Oxford and its hinterland

Operating brand	Operating Company	Owning group	Staff (op. company)	Latest turnover (£m, op. company)	Estimated turnover generated within the Oxford SmartZone, £m (percentage of total market)
Oxford Bus Company	The City of Oxford Motor Services Ltd	Go-Ahead	551	35.1	~25 (50%)
BrookesBus					
Park&Ride					
X90					
the airline					
ThamesTravel	Thames Travel (Wallingford) Ltd	Go-Ahead	122	6.4	~3.0 (6%)
Sub-total	All	Go-Ahead			~28 (56%)
Stagecoach in Oxfordshire	Thames Transit Ltd	Stagecoach	492	37.1	~20 (40%)
Oxford Tube					
Stagecoach Gold #66	Cheltenham and Gloucester Omnibus Company Ltd (Stagecoach West)	Stagecoach	640	32.9	0.5 (1%)
X5			Cambus Ltd (Stagecoach East)	942	57.4
Sub-total	All	Stagecoach			~20 (41%)
Arriva #280 Sapphire	Arriva the Shires Ltd	DB	1,581	88.7	<1.0 (<2%)
Heyfordian	Heyfordian Travel Ltd	Independent	108	6.0	<1.0 (<2%)
Red Rose	Red Rose Travel Ltd	Independent	Not available	Not available	<0.5 (<1%)

Source: Annual accounts obtained from FAME database; market share estimates are based on a combination of bottom-up analysis of bus routes, fleet information and professional judgement where no evidence was available.

- 4.7. This analysis suggests that Oxford is rare in a British context in that two large, similarly sized, national operators are mostly engaged in parallel operation (rather than in direct competition) along each of the main radial corridors in the city. For longer-distance travel from outside the city area there is a tendency for a single operator to dominate, with Go-Ahead serving most of the southerly approaches to the city and Stagecoach being stronger to the North and West. There is some overlap between the two groups and with smaller operators in the area between Oxford and Bicester, to the Northeast of the city. Within the Oxford City area the two large operator groups would appear to account for over 95% of the market. The next largest operator may be Arriva, with perhaps about 2%, for whom Oxford marks the western extremity of its operating area.

5. Ticketing and pricing

- 5.1. Although the Oxford bus market has a unique structure, what is perhaps more remarkable is the fact that the two dominant groups, which historically have been in direct competition, have been willing and able to implement a co-ordinated service pattern with interoperable smart ticketing system. As we acknowledge earlier in the paper, Oxfordshire County Council played a key part in motivating operators to work more closely together but the fact remains that the ticketing system has been developed with public sector encouragement rather than direct involvement. In this section, we examine the features of the SmartZone system and then go on to benchmark it against the kinds of smart and integrated ticketing which PTEs are currently implementing or aim to develop in the future.
- 5.2. “Oxford SmartZone” is the name given to the suite of smart integrated ticketing products shared by local Stagecoach and Go-Ahead operating companies as well as to the geographical area within which this suite of products is valid. A standalone SmartZone smartcard does not exist as such. Instead, SmartZone products can be loaded onto ‘stagecoachsmart’ or onto one of Go-Ahead’s branded ‘key’ cards. Both groups’ smartcards are conventional ITSO-compliant media. There are no locally stored value/Pay As You Go (PAYG) products available. Go-Ahead and Stagecoach also accept some of each other’s paper tickets within the SmartZone area, though it is not clear whether or not revenue from such tickets is shared.
- 5.3. SmartZone ticket revenue is apportioned with the help of an independent advisor employed by Oxford SmartZone Ltd, a company which appears to be controlled by Stagecoach and Go-Ahead. We note, however, that Thamesdown, the Local Authority-owned bus operator in Swindon, and Arriva The Shires are minor shareholders in the company. We have not found any evidence that Arriva The Shires is party to joint ticketing agreements with Stagecoach and Go-Ahead in Oxford although this suggests that a future agreement could be forthcoming. Thamesdown has no involvement with the Oxford Smartzone product but it is party to a similar arrangement with Stagecoach West in Swindon. It therefore appears that Oxford SmartZone Ltd is being used by Stagecoach for the purpose of revenue allocation in areas outside Oxford.
- 5.4. We understand that Oxfordshire County Council would wish to see Park & Ride parking fees - which are charged by OCC in addition to bus fares on dedicated park & ride bus services - available as a SmartZone product, and sees no difficulty in principle in these being dealt with

through the operator-owned company and smartcards. It would also like to be able to add rail travel to a differentiated SmartZone product in due course although the lack of smartcard facilities on the services of local train operating companies means this is not yet a possibility. Moreover, as Oxford SmartZone Ltd would appear to be controlled by Go-Ahead and Stagecoach, no other party, including the LTA, has any power over the development of the SmartZone scheme.

- 5.5. Although the ticketing schemes could, in principle be extended to smaller operating companies, it is important to highlight that the effective control of SmartZone Ltd by the two dominant groups could create a barrier to others joining. On the other hand, given that there are formally six separate operating companies in the scheme, and that it covers period tickets it seems likely that it falls under the definition of a multi-operator ticketing scheme for the purposes of the Public Transport Ticketing Block Exemption. This imposes some requirements around non-discrimination towards operators wishing to join the scheme although lack of external oversight means that such requirements could prove difficult to enforce in practice. At the same time, and at a more practical level, joining the scheme would require other operators to implement an inter-operable smart ticketing scheme on their own, which would impose significant costs. For example, Arriva, the third largest group with a presence in the area does not, at present, offer its passengers smart ticketing in the local area, having instead invested in its m-ticket mobile ticketing app.

Marketing and communication

- 5.6. The key point to note is that **none of the available smartcards in Oxford have any SmartZone branding**. The main common marketing tools available to operators seem to be the 'Oxford SmartZone' logo and the SmartZone network map (see <http://city.oxfordbus.co.uk/smartzone/>). Beyond this, however, there seems to be no standardisation in communication or marketing between the two operating groups.
- 5.7. Moreover, SmartZone products are only part of a broad range of tickets marketed by each group in the area (see below). Combined with the fact that product retailing also varies between the two groups and with the absence of an independent source of travel advice this leads to some inconsistencies in the information offered to passengers.

Retailing and fulfilment

- 5.8. Smartcards can be purchased pre-loaded online, free of charge, via a website common to all Stagecoach operating companies as a 'Stagecoachsmart' product, or issued ahead of purchase via individual operating companies' websites in the case of Go-Ahead. If requested online, smartcards are delivered by post. Go-Ahead also operates two travel shops in the centre of Oxford where it is possible to request a new 'key'-branded smartcard or to top-up an existing card. Stagecoach runs a travel information centre at Oxford coach station but this is only able to retail paper products. Stagecoach allows (but does not encourage) passengers to add 1 week products onto pre-existing smartcards from bus drivers.
- 5.9. Smartcard ticket products purchased online only become active once the card is presented to a reader on a bus operated by the group who originally sold the ticket. Both operating groups advise that it can take up to 48 hours for the information to reach on-bus readers from when the product is originally purchased. Given the absence of ticket vending machines or of an extensive retail network, this creates an important constraint for passengers and could go

some way to explaining the lower penetration of smart ticketing amongst Stagecoach passengers, which is highlighted in recent Passenger Focus research.

- 5.10. 'Stagecoachsmart' appears to be the more flexible of the two smartcard systems as it seems to allow users to load any smart Stagecoach product onto the same media, including for different geographical areas and rail PAYG. However, some of the single operator period tickets sold by Stagecoach in Oxford (namely the 13 week and annual MegaRiders) are only available in paper format. The Go-Ahead back office prevents passengers from loading products from group operating companies outside Oxfordshire onto the same media. Not only that, but the Go-Ahead system is also unable to issue a new 'key' smartcard for a different operating area to the same user account. In practice, this means that Go-Ahead cannot, at present, offer seamless door-to-door travel between two entirely separate geographical areas served by different Go-Ahead companies. It also seems to block a user with an existing 'key' account outside the Oxford area from managing an Oxford 'key' card online.
- 5.11. Overall, the marketing and retailing of SmartZone presents a rather confused picture for potential users. There is no strong product identity and the two operators are understandably keen to maintain the visibility of their own (single operator) ticketing products. This is very much a supplier designed approach to selling bus services rather than one based on passenger needs.

Geography

- 5.12. The SmartZone geographical area (Figure 4) extends beyond Oxford City Council's administrative boundaries along key radial routes, to the settlements of Botley and Cumnor (to the West); Kidlington, Yarton and Begbroke (to the North); Barton and Wheatley (to the East); Kennington (to the South); and to the village of Garsington to the Southeast. The minimum distance from the city centre to the boundary is about 5km, but the zone stretches about 10km North of the city. We estimate the resident population within the SmartZone area to be around 200,000, compared to 160,000 inhabitants within Oxford City Council's boundary.
- 5.13. Notably, the town of Abingdon (population 36,000), around 10km to the Southwest of Oxford city centre, is outside the SmartZone area. Go-Ahead offers a separate set of products covering this area, at a significant premium relative to its CityZone product.

Commercial offer

- 5.14. As mentioned earlier, SmartZone is only one of a range of commercial products on offer in the area, which can be grouped into the following categories:
- **Singles:** single operator, paper-based tickets, sold on bus, cash-only, with prices varying by distance and by operator; table 2 provides some indicative fares for typical journeys on Stagecoach and Go-Ahead services.
 - **Returns:** similar to single tickets but with the additional feature that, for companies owned by the two main groups, the return journey can be used on either group's services within the SmartZone area; although this information is not publicly available it is assumed that revenue is not transferred between groups

Table 2. Sample single and return ticket prices (January 2015)

Single and return tickets	distance (km)	Go Ahead		Stagecoach	
		Single	Return	Single	Return
Headington Oxford Brookes campus to City Centre	3	£1.70	£2.80	£1.60	£3.00
Cowley to City Centre	6.5	£2.10	£3.50	£2.10	£3.00
Abingdon to City Centre	11.5	£3.10	£4.70	£2.70	£4.00

Source: operator websites

- **One-day integrated paper ticket:** sold by Go-Ahead but also valid on Stagecoach services within the SmartZone area; an equivalent Family Day Pass is also available.
- **Smart integrated fixed period tickets (SmartZone):** these include 1 day, 1 week, 4 week, 13 week and 1 year tickets, allowing travel on both Go-Ahead and Stagecoach services within the SmartZone boundary; tickets are sold at the same price by either group's companies and are loaded onto 'key' or 'stagecoachsmart' operator-specific smartcards.
- **Smart single operator period tickets:** these include similar period tickets as in the previous bullet point plus academic calendar versions on BrookesBus-branded services; tickets are valid on a sub-set of services run by a single operator within a specific geographic area. Although this is not advertised on companies' websites, daily tickets are actually priced at the same level as, and are otherwise equivalent to, similar SmartZone products. Below is a list of the products included under this category:
 - Go-Ahead companies offer the following range: CityZone (broadly similar geography to SmartZone), Abingdon Route, South Oxfordshire, South Oxfordshire with CityZone, Park and Ride (no 1 day ticket available on the latter)
 - Stagecoach offers the following range: Oxford Megarider/Dayrider (broadly similar geography to SmartZone) available for 1 day, 1 week and 1 month; Megarider Plus (includes Abingdon and a few villages to the Northwest of the city), Megarider Gold (valid on all Stagecoach services in Oxfordshire)
 - Brookeskey period passes: available to Oxford Brookes University students and staff on BrookesBus services (U1, U1X, U4, U5, U5X) who are not entitled to free travel; pass options include academic year, calendar year, semester one, semester two and summer pass
- **Single operator plus SmartZone (SmartZone):** similar to the products described in the previous bullet point but with an add-on allowing travel on both Go-Ahead and Stagecoach services within the SmartZone area.
- **Non-smart single operator period tickets:** Arriva offers a suite of 'Oxford zone' tickets, valid on its #280 Sapphire service and available for 1 day, 1 week, 4 weeks, or 1 year; Paper tickets can be bought online and mobile phone tickets can be bought via Arriva's m-ticket app. Stagecoach offers its 13 week and annual Megarider tickets in paper versions only.

- **Smart integrated carnet tickets (SmartZone):** sold by Go-Ahead but also valid on Stagecoach services, this range includes unlimited travel during any 5 days of the user's choice, and blocks of 12 trips, both to be used over a given six month period.
 - **Smart single operator carnet tickets:** similar to the products in the previous bullet point but valid on Go-Ahead services within Go-ahead product geographies (CityZone, Abingdon route – any 5 days only, South Oxfordshire, South Oxfordshire with CityZone); in addition, blocks of 12 trips are also available on the Brookeskey, valid on BrookesBus day and night-time services only.
 - **Non-smart single operator carnet tickets:** Stagecoach offers a 12 trip carnet version of all its local Megarider products in paper format, which can be purchased from the driver or from its information point at Oxford coach station.
- 5.15. In addition to the ticket range above, Stagecoach and Thames Travel sell additional tickets exclusively valid in parts of Oxfordshire outside the Oxford SmartZone area.
- 5.16. Table B1 (annexed to this note) summarises the prices of key period and carnet tickets valid in the Oxford area.
- 5.17. For longer period tickets, SmartZone premia are in the range of 3% to 12%, relative to Go-Ahead's CityZone / South Oxfordshire with CityZone products, and in the range 7% to 18%, relative to the cheaper Oxford Megarider. SmartZone add-on premia are considerably higher for the Megarider Plus (30-34%) and the Megarider Gold (18-22%).
- 5.18. Megarider Plus adds Abingdon and a couple of small villages to the Northwest of Oxford to Stagecoach's Oxford zone. This product is therefore in direct competition with Go-Ahead's 'Abingdon' product, which is considerably more expensive than its own CityZone product (circa +50% premium), while offering limited interchange opportunities within the Oxford SmartZone boundary. In parallel, Stagecoach offers a lower frequency service for roughly a 33% discount and the Megarider Plus with SmartZone is priced just so as to undercut Go-Ahead's Abingdon ticket. This evidence suggests that there remains a degree of price and product differentiation and competition between Go-Ahead and Stagecoach, despite the introduction of SmartZone.
- 5.19. The relatively high premium between the Megarider Gold and the equivalent ticket with SmartZone seems to be an attempt by Stagecoach to avoid revenue leakage to Go-Ahead from those Oxfordshire routes where it is the dominant operator. Assuming that only a minority of passengers would travel to destinations beyond Oxford City Centre and that they are still able to use Stagecoach's Oxford services to complete their entire trip this seems to suggest that the loss of patronage to Stagecoach is minimal although this will create added complexity and inconvenience for at least some passengers.
- 5.20. Turning to 12-trip carnets, which are exclusively sold by Go-Ahead, the premium between the CityZone and SmartZone product is 31%. This seems to be a similar strategy as with the Megarider Gold with SmartZone, but in this case it is Go-Ahead which is trying to prevent revenue leakage to Stagecoach where the former appears to benefit from competitive advantage.
- 5.21. Finally, it is worth comparing the price of Arriva's Oxford zone period tickets (valid along the Headington corridor as far as Wheatley) with the CityZone product range. Along this corridor, Arriva's 280 service (15-20 minute headway) is in competition with Go-Ahead's U1 service (Wheatley campus to Harcourt Hill campus via City Centre, 15' headway), 400 P+R service

(from Thornhill P+R to Seacourt P+R via City Centre, 12' headway) and Stagecoach/Go-Ahead's shared 8 and 9 services (respectively, from the Headington suburb of Barton and Risinghurst to the City Centre, combined 7' headway). On the core section of this corridor, Stagecoach and Go-Ahead offer 17 through services per hour compared to up to 4 operated by Arriva. However, beyond the centre of Headington, the Arriva service is mainly in competition with the U1 service, operated under contract with Oxford Brookes University. On this stretch, Arriva offers a comparable frequency operated by higher quality vehicles. In addition, Arriva's online monthly ticket only costs £36 compared to £46.5 for a Go-Ahead CityZone ticket. Brookeskey users can however benefit from a range of cheaper tickets (including free travel for many students). This analysis shows two things: (1) that there exists a degree of price and service differentiation/competition on the Headington corridor and (2) that some passengers, especially on the Headington centre to Wheatley section, could benefit from significantly improved frequency were Arriva to coordinate its ticketing and timetable with Go-Ahead.

- 5.22. As can be readily gathered from the description above, there is a comprehensive, but arguably confusing, range of commercial offers available to the travelling public. We would suggest that this is because a third (integrated) ticketing system has been placed on top of two individual (and competing) systems, each designed to appeal to different market segments. PTEs have strongly argued in favour of a much simpler ticketing system, with as much of the confusing detail eliminated and a guarantee that passengers always get the best value deal given their travel pattern. This aspiration mirrors the principles on which the London Oyster system operates.

Market share by ticket type

- 5.23. We have been unable to find sufficient information to determine the market share of different commercial products and, in particular, the relative share of SmartZone products. Oxford Bus Company's latest annual accounts (2012-13) claim that there are 70,000 'key' users in the area (up from 20,000 in the 2010-11 accounts). However, we're not told whether that numbers equates to the number of cards issued or the number of active cards. Based on recent Passenger Focus research (see below), it is possible that the number of 'stagecoachsmart' in use in the Oxford area could number fewer than 10,000. Since SmartZone products are loaded onto operator's own cards, it is unclear what the market share of inter-operable tickets actually is.
- 5.24. At DfT's request, Passenger Focus commissioned market research amongst bus users in Oxford in February and March 2013 and published a report in September that year. In general, this indicates a very positive passenger response to smartcards in Oxford and the report has often been used as evidence of the success of the SmartZone scheme. However, the report leaves a number of important questions unanswered and provides potentially misleading answers to others.
- 5.25. The key unresolved issue is that the data collected does not allow the reader to estimate the proportion of journeys being made using inter-operable (SmartZone) products as no distinction is made between single operator and inter-operable products. Indeed the research can be criticised for confusing the two elements of the smartcard products – the card and the products loaded onto them. The research states (section 5.2) that:

'Over three quarters (78 per cent) of Oxford smartcard holders had the Oxford Bus Company's 'The Key' card. Other cards in use were:

- *Stagecoachsmart: 11 per cent*
- *Brookesbus The Key/BROOKESkey: 10 per cent*
- *Other: three per cent.*

'Two thirds (67 per cent) knew they could use their card with different operators, 26 per cent thought they could only use it with one operator and seven per cent were unsure. Most (83 per cent) had a smartcard that covered the central zone of Oxford only. For the 16 per cent which had other zones included, South Oxfordshire and Park and Ride were the most popular additions.'

- 5.26. As we have shown earlier in the report, there are both single operator and integrated products covering most of the definitions used in the quotation above. No information is provided on the relative share of smart and non-smart tickets.
- 5.27. The design of the questionnaire on which the report was based further clouds the issue. It asked respondents (Q14) *'Are you aware of the Oxford SmartZone on the bus network in Oxford?'* without clarifying what this meant, whether the suite of SmartZone product tickets, or the combined network of Go-Ahead and Stagecoach services represented in the SmartZone network map (this question elicited a 60% 'yes'.)
- 5.28. For those indicating lack of awareness, the questionnaire went on to ask *'The Oxford SmartZone means that you can make your outward journeys using one bus company and your return using a different bus company using the same ticket loaded on a smartcard'¹⁷*. Are you aware of SmartZone on the bus network in Oxford?' (This raised the awareness rating by 8 percentage points.)
- 5.29. Based on this evidence, it would seem that awareness of ticket inter-operability amongst bus users in the city of Oxford was, at most, two thirds in 2013.

SmartZone features in comparison with PTE aspirations

- 5.30. The promotion of smartcard ticketing outside London has largely been based on the premise that it will replicate the Oyster system that has been developed by Transport for London (TfL). Oyster takes some of the purchasing decisions for its users, so for instance, there is no need for the intending passenger to determine, in advance, whether a 'pay as you go' (PAYG) product is better than the purchase of a day ticket or vice versa - spending is automatically capped at the limit of the one day ticket, once that spending threshold is reached. This approach uses the technology to the advantage of the passenger rather than supplier, and helps build passenger confidence and loyalty. Equally, under Oyster, the passenger has no need to be concerned about which operator's service they are using. All journeys by public transport are covered and a journey will be charged at the same price, whoever operates the bus.
- 5.31. ITSO specification is arguably based on a more flexible specification than Oyster, and enables the introduction of a wide suite of inter-operable smart ticketing products. However, ITSO does not prescribe or define a pre-set array of integrated tickets. It's ultimately up to

¹⁷ This abbreviated description could be regarded as an incomplete description of the SmartZone concept.

operators and other product issuers to define what tickets are made available to passengers on ITSO smartcards.

- 5.32. It is therefore relevant to benchmark the SmartZone scheme against the key features which PTEs have come to expect of smart and integrated ticketing products, and also to understand the degree to which it delivers ‘Oyster-style’ benefits. We examine this in Table 3 by undertaking a subjective benchmarking assessment a notional PTE scheme against both SmartZone and Oyster systems.
- 5.33. Looking through the table, it becomes clear that the Oxford SmartZone system is some way from the simple and convenient Oyster-style ticketing which PTEs aim for. Although the regulatory framework outside London currently imposes constraints on the types of ticketing which can be introduced elsewhere in England, the table also shows that the schemes which are already in existence or under development in PTE areas are much closer to Oyster ticketing than to the Oxford’s SmartZone system.

Table 3. SmartZone benchmarking

	Oxford / SmartZone	PTE existing / planned schemes	Oyster	Comments
<i>Simplicity/seamless passenger experience</i>				
Is the fare structure simple and easy to understand?	x / ✓	✓	✓	The Oxford SmartZone offer is clearly stated. However, the broader fare offer in the Oxford travel to work area, within which SmartZone sits, is considerably more complex.
Is there a consistent and easily understood premia structure?	x	x / ✓	✓	Premia for SmartZone products vary between 0% and 33% across the product range. PTEs would like to see consistently low premia applied to multi-operator products.
Is PAYG/stored travel rights available?	x	x / ✓	✓	All PTEs would like to see an Oyster-style capped PAYG facility locally. Some PTEs have either implemented or are actively working towards a PAYG solution.
Is a capped PAYG facility implemented?	x	x / ✓	✓✓	
<i>Integration</i>				
Is a bus multi-operator ticket available which covers the entire functional or travel to work area?	x	✓	✓	The SmartZone area covers a population of around 200,000, living in the immediate vicinity of Oxford. No county-wide multi-operator ticket is available in Oxfordshire.
Is a county-wide multi-modal multi-operator ticket available?	x	✓	✓	Multi-modal tickets have existed in PTE areas for several decades. Several multi-modal smart ticketing products are in the process of being implemented.

Is the ticketing scheme open to any operators willing to join?	?	✓	✗ / ✓ ¹⁸	Presumably, the SmartZone scheme should not discriminate. In practice, significant barriers to new joiners are likely to exist.
Information, marketing, branding, retail, fulfilment				
Is a single source of impartial information and advice available?	✗	✓	✓	OCC chooses to play no direct role in the provision of information and directs passengers to operator websites for fares, ticketing and timetable information. PTEs see an essential role in the provision of comprehensive and impartial information.
Are marketing, branding and retailing consistent across the network?	✗	✗ / ✓	✓✓	All PTEs have created single local smart ticketing brands, marketing and retail strategies. However, operators are able to continue to use their brand on their own products.
Can purchased smart tickets be used for immediate travel?	✗/✓	✓	✓	Go-Ahead's offers this facility at their two travel shops but Stagecoach does not. All PTEs have comprehensive retail networks and strategies.
Are all ticket types available on smart media?	✗	✓	✓	In a deregulated context, it is likely that at least some operators will continue to sell paper tickets for years to come. In London, however, paper tickets are no longer in use. PTEs would like to implement PAYG so as to minimise the use of cash and paper tickets to speed up journeys.
Openness				
Are there common physical cards and a back office available to new operators willing to join the scheme?	✗	✓	✓✓	PTEs have invested in back-office infrastructure, marketing and retail so as to reduce duplication, minimise cost and eliminate barriers to entry for operators
Does the LTA have any involvement in specifying and developing the ticketing scheme?	✗	✓	✓✓	Oxfordshire has chosen to forgo any involvement and focuses on supporting the commercial market. PTEs view the development of affordable and attractive public transport as a core responsibility
Can smart card data be used by LTAs for transport planning purposes?	✗	✓	✓✓	

¹⁸ Oyster is based on a proprietary specification owned by TfL and therefore operator participation in the scheme is at TfL's discretion. However, virtually all public transport services within London are controlled by TfL and therefore part of Oyster. TfL is also adapting its infrastructure so that it is able to read ITSO smart cards (known as the 'ITSO on Prestige' project, Prestige being the name of the original project which led to the introduction of Oyster).

Figures – Public transport networks and zones in Oxford City

Figure 1 – Stagecoach 'around Oxford map and Oxford megarider zone

Figure 2 – Oxford Bus Company network map

Figure 3 – Thames Travel bus services in the Oxford area

Figure 4 – Oxford SmartZone map and pricing

Annex A – 2006 Quality Bus Partnership agreement

Annex B – Table B1

Validity	SmartZone products		Go-Ahead only		Stagecoach only		Arriva only
	South Oxfords hire with Smart Zone	Megarider Plus with Smart Zone	Abingdon Route - inc. JR hospital and train station	South Oxfords hire	Oxford Megarider Plus*	Megarider Gold**	
1 day	4.0	6.0	8.0	8.0	4.0	6.0	4.0
1 week	15.5	21.7	22.5	20.8	14.5	16.5	15.0
4 weeks	51.8	67.2	68.5	62.3	46.5	50.0	36.0
13 weeks	132.5	192.6	182.3	165.8	124.0	148.5	
1 year	434.8	590.3	592.0	538.3	400.0	445.5	400.0
Any 5 days	15.5		22.5	20.8	14.5		
any 12 trips	19.0		-	21.8	14.5		
Smartzone premia compared to single operator ticket							
1 day					0%	0%	0%
1 week					7%	32%	20%
4 weeks					11%	34%	22%
13 weeks					7%	30%	19%
1 year					9%	33%	18%
Any 5 days					7%		
any 12 trips					31%		

CORE PARTNERSHIP AGREEMENT
FOR THE DEVELOPMENT OF QUALITY BUS SERVICES IN OXFORDSHIRE

AN AGREEMENT BETWEEN

THE OXFORDSHIRE COUNTY COUNCIL

and

OXFORD BUS COMPANY

AND BETWEEN

THE OXFORDSHIRE COUNTY COUNCIL

and

STAGECOACH IN OXFORDSHIRE

(together "the partners")



**OXFORDSHIRE
COUNTY COUNCIL**

ENVIRONMENT & ECONOMY

www.oxfordshire.gov.uk

Policy Framework

Buses are at the heart of transport policy in Oxfordshire. The County Council's 2nd Local Transport Plan and Bus Strategy builds upon the past success of Oxfordshire in enabling and encouraging a growth in bus use. It describes how the Council, in partnership with bus operators, creates the conditions in which commercial bus services can thrive.

It identifies a hierarchy of services:

- > Premium Routes, running without subsidy at "Turn up and go" frequencies with high quality infrastructure;
- > Hourly services, some running commercially and some with subsidy;
- > Local services, provided in a variety of ways to serve the lightly populated areas off main routes.

This Partnership Agreement describes how the County Council and bus operators will work together to provide the Premium Routes.

Introduction

Operators and the Council share a common goal of increasing the number of passengers and improving punctuality. Although cooperation between operators is prohibited under competition legislation, a framework exists under the Transport Act 2000 under which partnership agreements can be arranged between the County Council and operators. Such partnership agreements will ensure that the County's role as provider of high quality infrastructure, and the bus operator's role of providing high quality services, is combined in the most effective way possible to achieve this goal, without the need for public subsidy for the bus services.

When investing in infrastructure to benefit buses, the County Council needs to be assured that the infrastructure will be used to the maximum extent to benefit passengers. When investing in new vehicles, improved training and enhanced services, the bus operator needs to be assured that they will be able to use them in an efficient and cost effective way to produce a return on the investment. This Core Partnership Agreement sets out the ways in which partnership agreements will be developed which give all parties confidence to develop services in an efficient and coordinated way. It sets out how these partnerships will cover, not only matching programmes of investment, but also joint action to reduce the environmental impact of bus services and otherwise improve service quality.

Many of the measures to be introduced in Quality Partnerships will also contribute to improving punctuality. The measures of success will include measures of improved punctuality. These Quality Partnerships will thus also form the basis for Punctuality Improvement Partnerships.

By signing up to the Core Partnership Agreement, the Council and bus operators indicate their agreement to the core terms and objectives for the development of bus services in Oxfordshire. Other operators will have the opportunity to commit to the terms of the Core Partnership Agreement in due course.

Structure and Content of Partnerships

All Premium Routes will be covered by an individual Quality Partnership for that route, and there will in some cases also be Quality Partnerships covering specific areas such as town and city centres. These will hinge around this Core Partnership Agreement and all subsequent route and location-based Quality Partnerships will be developed within the terms of this Core Partnership Agreement.

Underlying this Core Partnership Agreement will be an individual Quality Partnership for each corridor, listing the specific improvements to infrastructure, vehicles and service provision which are proposed for that individual corridor and the dates by which these will be achieved. Each Quality Partnership will also

Requirements of the Partnership

The following conditions are agreed by the signatories to this Core Partnership Agreement, and will also apply to all other parties upon whom the terms of future route or area-based Quality Partnerships become binding:

- A1 The County Council will establish and maintain a comprehensive strategy that provides a holistic framework for how it intends to tackle transport issues, within and on the approaches to, Oxford city and in other locations to be served by Premium Routes.

- A2 The County Council, in consultation with bus operators, will develop for each corridor a programmed Quality Partnership action plan which contains a clear statement about what measures to benefit buses and improve punctuality will either be implemented or investigated and in which locations (while having due regard to other road users and policy objectives, including objectives to increase walking, cycling and improve road safety and air quality); the measures to include:
 - A2.1 Traffic Management measures to improve journey times and reduce journey time variability along the agreed routes, including revised parking and loading restrictions and appropriate bus priority measures
 - A2.2 The introduction of camera enforcement for bus lanes (and gates) as soon as reasonably practicable (with Oxford city centre being the first priority); and proposals for other enforcement to be undertaken.
 - A2.3 Upgrading bus stop and shelter infrastructure and layouts, and the introduction of Bus Stop Clearways, in accordance with the appropriate protocol should one be in force.
 - A2.4 Offer pump-priming revenue support to operators, where frequencies are not already at 'turn-up-and-go' levels.
 - A2.5 Action to increase the attractiveness of Park and Ride, including a strategy for its expansion.

- A3 Having regard to its new responsibilities under the Traffic Management Act (and remembering that traffic includes cyclists and pedestrians), the need to ensure punctuality and its policy objective of encouraging greater use of buses, the County Council will:
 - A3.1 Manage its internal procedures and organisation to ensure effective liaison and consultation with bus operators and act in accordance with the aims of this Bus Strategy, and with the appropriate protocol should one be in force, with regard to
 - a) the undertaking of any of its works on the highway, including maintenance and resurfacing
 - b) the undertaking of any works by utilities
 - c) the issuing of any skip and scaffold licences
 - d) any events on the highway
 - e) representing the bus operators' interests in the event of civil emergencies
 - A3.2 Review the operation of an agreed list of critical junctions, pedestrian crossings etc. and introduce effective bus priority
 - A3.3 Manage its policies and priorities for deployment of on-street enforcement personnel with a view to reducing delays to buses and improving punctuality

Include targets for bus journey time and journey time variability, punctuality and bus patronage, and some will have targets for user satisfaction. These Quality Partnerships will be consulted upon, agreed and introduced progressively, on a route by route basis, and will include clauses to make the terms of this Core Partnership Agreement binding on that corridor upon adoption of the Quality Partnership.

The signatories to this Core Partnership Agreement will decide, on a case by case basis, whether each Quality Partnership is to be a Statutory Quality Partnership within the meaning of sections 114-123 of the Transport Act 2000, which provide for enforcement by the Traffic Commissioner of Partnership provisions. This decision will be based on whether the partners consider, on that particular route, that services which do not meet Partnership standards need to be formally excluded from operation on the route either to avoid low quality competition, or to minimise congestion and improve air quality. Where a Statutory Quality Partnership enforceable by the Traffic Commissioner is proposed, exclusions and exceptions will be considered by the partners particularly in respect of any low frequency rural services which may use the roads covered by the Partnership.

Supplementary Protocols

Also underlying this Core Partnership Agreement will be a series of supplementary protocols, describing actions expected by individual partners, which are generally applicable across all routes and areas. The terms of all protocols in force at the commencement of each route or area based Quality Partnership will become binding upon all parties to whom that Quality Partnership applies, upon the Partnership coming into force.

These protocols will cover some or all of the following:

- i) standards for infrastructure to be provided at bus stops (allowing for variation between individual stops depending on local circumstances);
- ii) how the highway network will be managed to minimise impacts on bus services;
- iii) how highway scheme design will be carried out to ensure that impacts on bus services will be taken into account, including arrangements for involvement of bus operators in the design process;
- iv) a code of conduct for bus drivers, covering matters such as switching off engines when stopped, driving with consideration for passengers, cyclists, pedestrians and other road users, maintaining appropriate speeds and minimising noise and emissions;
- v) standards for training of bus drivers in customer care and disability awareness;
- vi) standards for vehicle emissions;
- vii) vehicle standards to ensure the convenience and comfort of all passengers, including people with disabilities;
- viii) limitation of dates for timetable changes (including circumstances in which exemptions will be permitted);
- ix) provision of information to other partners on matters such as journey time and journey time variability, patronage, etc;
- x) a methodology for allocation of services to stops, including procedures to be adopted when services change; and
- xi) any other matters which might be agreed from time to time by signatories to this Core Partnership Agreement.

In addition to these listed above the terms of the County Council's Information Strategy for Bus Services and any applicable ticketing scheme made by the Council under the Transport Act 2000 will apply to all Quality Partnerships.

The signatories to this Core Partnership Agreement will cooperate to develop these supplementary protocols.

- A3.4** Ensure that all highway schemes take account of the aims of this Bus Strategy and the needs of buses at design stage, and that there is full consultation with bus operators as proposals develop, in accordance with the appropriate protocol should one be in force.
- B1** Bus operators will comply with any appropriate protocol setting out a Code of Conduct for bus drivers.
- B2** Bus operators will ensure that all drivers have received training in disability awareness and customer care in accordance with any appropriate protocol.
- B3** Bus operators will agree within each Quality Partnership a programme for raising vehicle standards, including
- a) a timetable for achieving lower emission standards in accordance with any appropriate protocol.
 - b) Low-floor DiPTAC compliant vehicles on 'urban' routes and wheelchair-accessible vehicles offering a high level of passenger comfort on longer distance Inter-Urban routes, also meeting other vehicle standards as described in any appropriate protocol.
- B4** Bus operators will meet Information standards including
- a) providing up-to-date displays at stops and on buses
 - b) accepting the harmonisation of information at common stops
- B5** Bus operators will provide adequate passenger capacity, including increasing capacity to ensure that overcrowding does not occur when demand rises
- B6** Bus operators will limit dates on which timetable changes occur, in accordance with any appropriate protocol.
- B7** Bus operators will agree measures to minimise dwell times at specified sensitive stops, which is likely to involve a combination of careful scheduling, identification of appropriate lay-over locations and greater off-bus ticketing
- B8** Bus operators will act on anything within their control to ensure that services run punctually at the agreed frequency and a regular headway, and provide information to the County Council on the causes of any delays beyond their control.
- B9** Bus operators will provide the County Council with regular information on patronage on services covered by the agreement
- B10** Bus operators will co-operate - so far as legislation allows - on corridors where no single service provides a 10 minute or better interval on its own

- a) to enable additional services to be provided or timetables adjusted
 - b) to ensure co-ordinated marketing
- B11 Where appropriate, bus operators will cooperate with one another, and with rail operators, to facilitate interchange between services.
- C1 Bus operators and the County Council will introduce measures to improve the attractiveness of ticketing arrangements and to speed up bus boarding, acting independently or in partnership as appropriate.
- C2 Bus operators and the County Council will agree, for each corridor, targets for journey times, journey time variability, and punctuality and a methodology for measuring these, and cooperate in the implementation of that methodology and the full exchange between the County Council and each individual operator of all information collected, in accordance with the appropriate protocol should one be in force.
- C3. The County Council will agree, for each operator concerned on each corridor, targets for patronage (and where appropriate for user satisfaction) and a methodology for measuring these, and cooperate in the implementation of that methodology and the full exchange between the County Council and each individual operator of all information collected, in accordance with the appropriate protocol should one be in force.
- C4 Bus operators and the County Council will co-operate on the operation and expansion of real-time information, including meeting appropriate costs, ensuring correct operation, and the provision of timetable information, in accordance with the appropriate protocol should one be in force.
- C5 Bus operators and the County Council will agree a protocol for the allocation of services to stops, designed to reduce congestion and air pollution and ensure road safety whilst maintaining accessibility to main destinations, and where relevant abide by resulting decisions
- C6 Bus operators and the County Council will cooperate to achieve mutually beneficial media coverage

Action on Specific Routes

The table in Annex 1 lists the routes, which are expected to become subject to the terms of this Agreement in due course. This list may be varied from time to time by agreement of the signatories.

The table indicates the main issues to be addressed, and work to be undertaken, in developing each route. Some details may be subject to amendment. In addition to the specific measures described in the table, all routes listed will receive the following:

- upgrade of most or all stops
- real-time information
- selective bus detection at traffic signals and pedestrian crossings.

Agreement of partners

The parties hereby indicate their agreement to the core terms and objectives for bus services in Oxfordshire as described in this Core Partnership Agreement.

OXFORDSHIRE COUNTY COUNCIL

Duly authorised signatory:

Cllr David Robertson
Cabinet Member for Transport

THE CITY OF OXFORD MOTOR SERVICES Ltd (T/A OXFORD BUS COMPANY)

Duly authorised signatory:

Philip Kirk
Managing Director

THAMES TRANSIT Ltd (T/A STAGECOACH IN OXFORDSHIRE)

Duly authorised signatory:

Martin Sutton
Managing Director

2006

**ANNEX 1
PREMIUM ROUTES
Premium Routes – Programme including summary of Issues, Proposals and Timetable**

Section	Main Issues	Constraints	Proposal	Year				
				06/07	07/08	08/09	09/10	10/11
A. Kidlington to Cutteslowe	Delays at Kidlington roundabout	Access to Sainsbury's	Provide Bus Lane	X				
B Redbridge to Abingdon via Kennington	(Replacement of humps with cushions complete; stop upgrade to be completed later)							
C Redbridge to Abingdon via A34	Congestion/ delays on A34	Highways Agency	Study and design			X		X
D Gosford to Bicester via A34/ A41	Congestion/delays on A34/ A41	Highways Agency / Bicester SW development	Work up proposal with HA and developers			X	X	X
E Bicester Town Centre	Inadequate bus station	Bure Place development	Work with developer		X	X		
F Oxford to Barton via London Road	Congestion/delays through Headington	Capacity of junctions Public consultation	Study and implementation	X	X	X	X	X
G Witney-Botley via Farmoor	Delays at Swinford toll bridge Delays through Witney	Highway boundaries Parking and Capacity of junctions	Design and Implement Bus Lane Bridge Street measures	X	X		X	X
H Oxford-Blackbird Leys via Cowley Road	Congestion at Cowley Centre	Capacity of junctions	Investigate potential					X
I Oxford-Cutteslowe via Banbury Road	Congestion through Summertown Congestion approaching Cutteslowe Roundabout	Public consultation Public consultation and Highway Boundaries	Reconfigure highway Design and Implementation of Improvement Scheme		X		X	X
J Oxford-JR Hospital via Marston Road	Delays approaching London Rd Delays at Cherwell Drive	Capacity of London Rd jct. Capacity of junctions	Inbound bus lane, design and implement. Investigate potential	X	X	X		
K Oxford-Wood Farm via Morrell Avenue	Delays through junctions	Capacity of junctions	Investigate potential			X		
L Rose Hill to Wallingford	Poor frequency	Pump-Priming funding	Improved service from 1/06	X	X	X	X	
M Oxford to Rose Hill via Iffley Road	Parking	Public consultation	Investigate potential					X

Section	Delays northbound evening approaching Wolvercote roundabout	Main Issues	Public consultations and Highway boundaries	Design of improvement scheme	Year				
					06/07	07/08	08/09	09/10	10/11
O Wolvercote to Witney via A40	Congestion along A40		Capacity of A40	Study	X			X	
P Banbury to Bankside	Poor frequency		Pump Priming funding	Design and implementation	X			X	X
Q Banbury to Hardwick	Poor frequency		Pump Priming funding	Increased service 5/05	X	X	X	X	
R Summertown - Headington - Cowley	Delays through Summertown, Headington and Cowley Poor frequency on northern section		Junction capacity Revenue funding	Increased service					X
S Witney to Carterton	(Stop upgrade and RTI only)			Investigate potential Seek developer contribution					

Premium Routes commencing after 2011

Section	Main Issues	Constraints	Proposal
T Oxford to Redbridge via Abingdon Road	Delays - inbound morning, outbound evening	Blocking back from Westgate and Ring Road	Study
U Oxford to Botley via Botley Road	Delays - inbound morning, outbound evening	Capacity of junctions	Study
V Thornhill to Thame	Poor frequency	Revenue funding	Frequency enhancement
W Wolvercote to Woodstock	Inbound delays	Capacity of Pear Tree interchange	Investigate potential
X Abingdon to Wantage	Inbound delays to Abingdon Poor frequency	Capacity of Marcham Rd Revenue funding	Investigate potential Seek developer contribution
Y Abingdon to Didcot	Inbound delays to Abingdon Alternative routes Poor frequency	Capacity of Drayton Rd and Ock St Revenue funding	Investigate potential Define the route Seek developer contribution

aroundOxford

megarider PLUS

travel in Oxford City & surrounding areas including Abingdon, Kidlington and Eynsham as much as you like on Stagecoach buses within the zone displayed

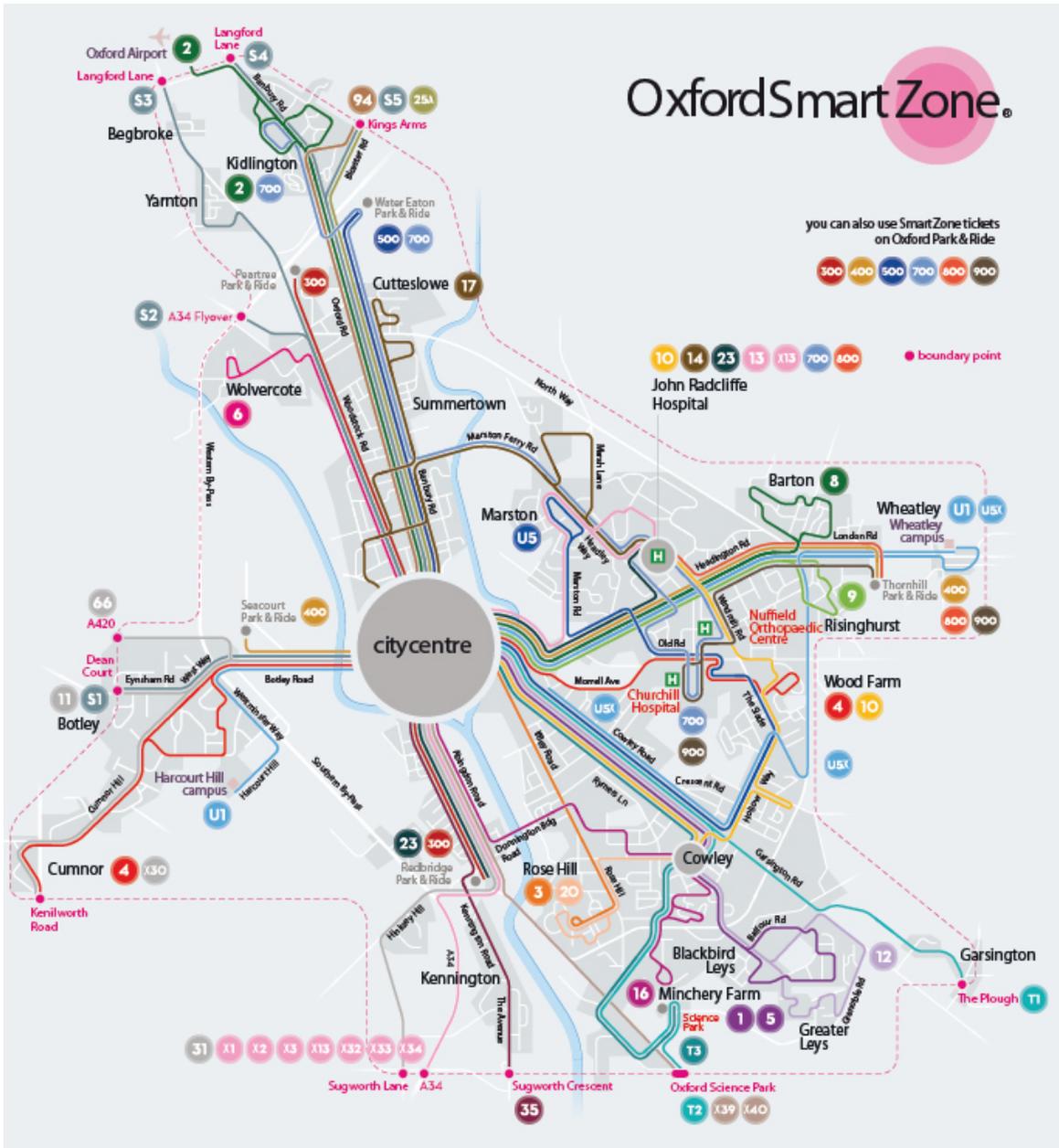


South Oxfordshire Zone

● **Boundary Points**

Travel beyond these points requires a cityzone or SmartZone product. Dual zone products are available.





SmartZone allows you to travel on any Oxford Bus Company, Stagecoach or Thames Travel bus within the SmartZone area.

how much?

adult	
1 week	£15.50
4 weeks	£51.75
13 weeks	£132.50
annual	£434.75
any 5 days	£15.50
any 12 trips	£19
18 & under	
1 week	£12
4 weeks	£39
13 weeks	£100
annual	£327

* 'any 12 trips' are not suitable for 'short hop' journeys where the single fare is £1.50 or less