



## Proposed Change of Ticketing Arrangements between ScotRail and Subway

**Committee** Strategy and Programmes

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### Report by Senior Director

#### 1. Object of report

To outline proposed changes to the current ticketing arrangements that exist between ScotRail and Subway, specifically in relation to legacy arrangements for the sale of Subway tickets by ScotRail.

#### 2. Background

ScotRail currently sell two ticket products which permit a customer to travel on both ScotRail services and on Subway. These are the Roundabout ticket and the Subway Add-On ticket.

These ticket products are sold by ScotRail as paper “magstripe” tickets, and have existed in their current form since before the introduction of the Subway smart ticketing system, and also before ScotRail’s adoption of smart ticketing.

These products no longer provide the convenience and value which are desirable for a customer purchasing an integrated transport ticket. This report sets out below a set of proposed improvements to these legacy arrangements. These proposals have been discussed with ScotRail.

#### 3. Existing Arrangements

##### 3.1 Roundabout

The Roundabout ticket gives one-day unlimited travel by ScotRail and Subway to over 110 stations within a defined Greater Glasgow area. Roundabout tickets are valid after 09:00 Monday to Friday, and all day at weekends and on Glasgow public holidays.

Adult Roundabout tickets are currently priced at £7.20 and child tickets are priced at £3.60.

The customer purchases a magstripe ticket (conventional magnetic stripe paper ticket) from ScotRail which can be used at ScotRail ticket gates. Previously (until 2013) the same ticket could have also been used at the old turnstile magnetic stripe Subway ticket gates.

Since the introduction of Subway smart ticketing, a customer with a Roundabout ticket is required to visit the Subway ticket office, present their Roundabout ticket where they will be provided a Subway disposable ticket for all-day travel.

Around 23,000 Roundabout tickets were sold in 2017-18.

### 3.2 Subway Add-On

A customer purchasing a ScotRail single or return ticket (adult or child) can purchase a Subway Add-On to their ScotRail ticket which entitles the customer to a single or return Subway journey. This is provided on a magstripe ticket which can be used at ScotRail ticket gates.

Similar to the Roundabout ticket noted above, the Subway Add-On could have been used previously (until 2013) to open the old turnstile magnetic stripe Subway ticket gates.

Since the introduction of Subway smart ticketing, a customer with a Subway Add-On ticket is required to visit the Subway ticket office, where they are required to show their Add-On ticket for which they will be dispensed a Subway disposable ticket (single or return).

In 2017-18 around 19,000 Subway Add-On tickets were sold.

## 4. Issues and Challenges with Existing Arrangements

The existing arrangements create a number of issues and challenges for both customers and the operators.

The key issues and challenges for customers are as follows:

- From a convenience perspective, it is no more convenient for customers to buy a Roundabout or Subway Add-On ticket than buying separate ScotRail and Subway tickets. This is due to the fact that customers require to purchase a ticket from ScotRail and then still have to visit the Subway ticket office to obtain a disposable smart ticket to use at the Subway ticket gates.
- From a value for money perspective, and in the case of the Subway Add-On in particular, customers are unable to obtain the better value price that is available on a Subway or ScotRail smart card via Pay As You Go credit.
- Additional time for customers to swap magnetic stripe tickets for the subway smart disposable ticket, which could be avoided by use of a smartcard (Subway and ScotRail smartcards are interoperable).

The key issues and challenges from an operational perspective are:

- These ticket products result in additional Subway disposable tickets being used (with cost and environmental impacts), which could be avoided by using smartcard tickets instead.
- There is an administrative burden involved with reconciliation of Subway tickets (via a voucher based approach) issued to Roundabout and Add-On holders, compared with the revenue received from ScotRail.
- There is a risk of revenue loss associated with these tickets. This is particularly the case for the Roundabout ticket, which entitles the holder to receive an all-day

Subway disposable ticket (which would normally cost £4.10), and could in theory be passed between multiple customers.

- Around 70% of Roundabout ticket usage on the Subway occurs on Ibrox match days, which is operationally and administratively challenging, as it requires a large number of disposable tickets to be printed at stations on these days.

Members should also note that the customer price of the Subway Add-On has been updated each time Subway ticket prices have changed. However, the reimbursement amount per ticket to SPT has not been similarly adjusted, and an exercise is now being undertaken to reconcile this.

## **5. Outline of proposals**

It is proposed that the option to purchase non-smart Subway products from ScotRail is withdrawn. The Subway Add-On is proposed for withdrawal from sale in May 2019 (this timing aligns with ScotRail operational practicalities). Customers will be advised of the benefits of using a smartcard for travel both on rail and Subway. On Subway these benefits include lower fares for travel and the Pay As You Go daily cap (£2.90 for adult all-day travel). Should a customer choose not to use a smartcard, they will experience no disadvantage buying separate rail and Subway tickets compared to buying a rail ticket with Subway Add-On.

It is proposed that a project is commenced to replace the existing Roundabout ticket with a smart ticket product allowing all day travel on rail (within the permitted area) and on Subway. This smart product could be loaded onto a Subway or ScotRail smartcard. The project would be undertaken jointly by SPT and ScotRail, calling on the smart ticketing expertise of Nevis Technologies. This would improve customer convenience, and provide a more effective method for measuring the use of Roundabout on Subway and arranging reimbursement of an equitable share of ticket sales value.

These proposals would serve to increase the uptake of smart ticketing on Subway and ScotRail, with benefits for customers and for the operators. This includes supporting ScotRail's committed obligations in relation to integrated and smart ticketing.

These proposals also support Transport Scotland's wider multi-modal aspirations for interoperable smart and integrated public transport ticketing.

## **6. Conclusions**

The Subway ticket products retailed by ScotRail in magstripe format no longer offer any customer benefits and present a number of operational challenges and additional steps in a smart ticketing era.

There are alternative ticketing arrangements which will improve the customer experience and offer the best value fare via a smartcard, while offering operational benefits to SPT by reducing the use of disposable tickets and reduce some existing risk of revenue loss.

## **7. Committee action**

The Committee is recommended to agree the proposed changes for ticketing arrangements between ScotRail and Subway for the Subway Add-On and Roundabout Tickets.

## 8. Consequences

Policy consequences	<i>Supports SPT and ScotRail's promotion of smart and integrated ticketing.</i>
Legal consequences	<i>None at present.</i>
Financial consequences	<i>Reduced administrative burden and should improve reconciliation processes.</i>
Personnel consequences	<i>None at present.</i>
Equalities consequences	<i>None at present.</i>
Risk consequences	<i>Reduces the risk of revenue leakage to SPT particularly for Roundabout tickets.</i>

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