



ITSO Services Ltd Annual Report 2009/10

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Foreword

The English National Concessionary Travel Scheme (ENCTS) continues to provide millions of eligible people with free travel across England. ITSO Services Ltd (ISL) has now been supporting ENCTS for over two years and remains the largest ITSO Licensed Operator by number of Shell Accounts issued.

Since April 2008 ISL has supported the issuance of over 7.6 million passes by 75 Concessionary Schemes, comprised of over 250 Travel Concession Authorities (TCAs). The ISL HOPS has continued to provide TCAs with data repository and stop listing facilities; indeed, ISL has once more been at the forefront of the development of stop listing within ENCTS and continues to maintain the increasing flow of HOPS-to-POST and HOPS-to-HOPS communications activity. Project activities have largely concerned the phase out of Mifare® Classic Customer Media from the ITSO Environment, a challenging task delivered on time and in full by ISL. In addition ISL has welcomed London Councils into its Operating License, providing support for the issuance of over 1.2 million Freedom Passes throughout the capital.

Of growing importance to ISL is the continuation of TCA migration: in this financial year 4 concessionary schemes comprised of 26 TCAs have moved away from ISL to become individual ITSO Licensed Operators in their own right. However, the need for further migration in the coming financial year is paramount to the development of not only ISL, but to ENCTS in the medium and long term. Local Government re-organisation will have a significant impact as the revision of concessionary administration to higher-tier authorities will not only reduce ISL Membership but will forge new working relationships.

Economic vulnerabilities have not escaped ISL's attentions, yet despite the financial constraints imposed at the start of this financial year ISL has once again met deliverables under budget and without compromise to quality of service.

I would like to extend my gratitude to all who have contributed to the successful delivery of ISL: Department for Transport, ISL-supported TCAs and suppliers, ACT, ITSO and the ISL team. Here's to an equally successful 2010/11.



Neil Scales
Chair, ITSO Services Ltd



From the streets of London...



...to anywhere in England



The Freedom Pass utilises dual Oyster-ITSO encoding to provide concessionaires from London with ITSO-supported ENCTS ticketing across England and Oyster ticketing in the capital. It's the ticket to freedom.



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1 Introduction

The annual report set forth in this document details the activities and achievements over the financial year 2009/10 for ITSO Services Ltd (ISL), based upon the following key deliverables set by Department for Transport (DfT) in regards to the English National Concessionary Travel Scheme (ENCTS):

- Provision and maintenance of ITSO membership, not only to ensure member TCAs are informed and administered to requirement, but to ensure ITSO Ltd are aware of TCA future intentions;
- Provision and maintenance of an ITSO Operating License, ensuring that the necessary ITSO services relating to the ITSO Specification are upheld;
- Provision of ongoing support to member TCAs, including guidance documentation and helpdesk support;
- Provision and administration of ISAM stocks for member TCAs at the best possible price;
- Provision and management of HOPS services for member TCAs, storing data for a maximum of seven years and providing technical services within;
- Provision and administration of a hot listing process for member TCAs, in order to reduce fraudulent use of concessions;
- Provision of independent testing facilities for member TCAs at an agreed rate;

With its current representation of 249 TCAs within ENCTS, ISL supports some of the largest concessionary schemes in operation. Over 7.6 million concessionary passes have been issued under its auspices, with TCAs ranging from small districts with populations of less than 50,000 to large PTEs with populations of over 1 million. In addition, ISL has authorised the largest number of Shell Accounts in the ITSO Environment via the ISL HOPS, provided by ACT, and oversees technical liaison with 7 card providers.

In February 2010 Helen Mitchell left the role of Head of Operations & Delivery for ISL to become Head of Ticketing at Merseytravel PTE. ISL expresses its sincerest gratitude to Helen for all her endeavours over the last two and a half years to ensure successful delivery.

The current ISL team consists of the following:

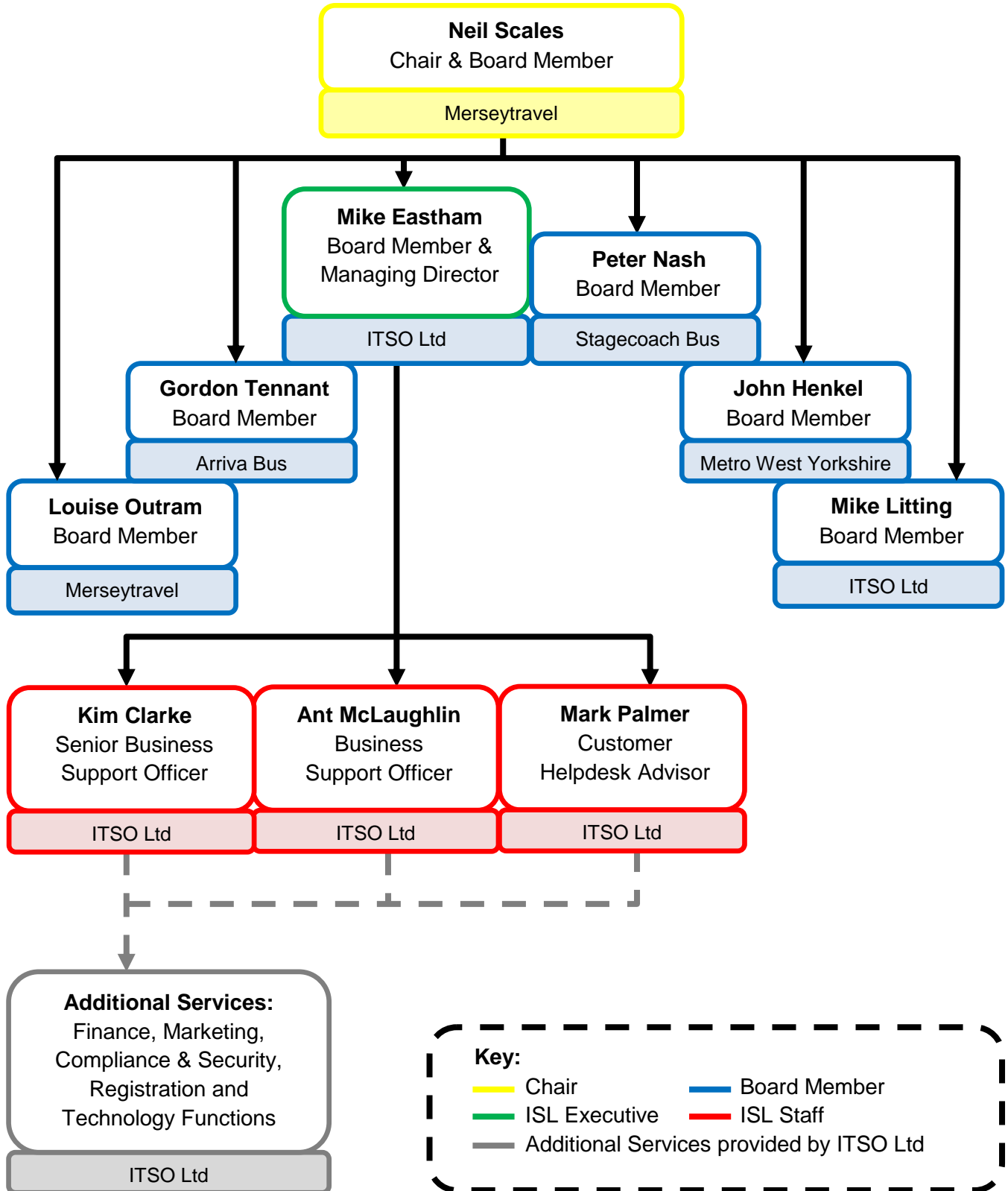
Kim Clarke	Senior Business Support Officer
Anthony McLaughlin	Business Support Officer
Mark Palmer	Customer Helpdesk Advisor

Over the course of 2009/10, the ISL team has been contracted to undertake key deliverables in order to ensure that all stakeholder needs are catered for. In addition, ISL calls upon services available from ITSO Ltd to cover aspects relating to finance, marketing, compliance & security, registration and technology functions.

1.1 Company Structure

ITSO Services Ltd is a company limited by guarantee, created on 18th August 2007 and is located at the ITSO office in Birmingham. Figure 1.1 outlines the current company structure.

Figure 1.1: ISL company structure



2 Achievements & Milestones 2009/10

2.1 Achievements

At the start of the financial year, ISL was contracted to continue supporting 242 TCAs with the delivery of ENCTS concessionary passes certified to comply with the ITSO Specification. With the inclusion of London Councils and the migration of 26 TCAs, ISL is contracted to support 249 TCAs at the start of the 2010/11. ISL has continued to provide back office facilities via the ISL HOPS, contracted to ACT, whilst ensuring sufficient ISAM provision for card providers and TCAs using in-house pass production equipment. ISL manages approximately 350 ISAMs connected to Perso POSTs, including approximately 80 ISAMs to cater for London Councils.

By the end of 2009/10 the ISL HOPS supported over 7.6 million Shell Accounts created by ITSO certified card providers and in-house producing TCAs, an increase of approximately 1.8 million accounts since the start of the financial year. This financial year saw the first ENCTS passes created using ISL's second Shell OID, 0110, which provides an additional 10,000,000 unique card numbers (ISRNs) for pass production. All ITSO Licensed Operators were required to cease issuance of Mifare® Classic Customer Media by 31 December 2009, switching to alternative ITSO-complaint media sources thereafter. Through extensive liaison with TCAs and supporting providers, ISL met this requirement with all 214 affected TCAs (not including those retaining derogation for continued, limited Mifare® Classic production or those already using alternative media sources).

ISL has successfully assisted 4 Concessionary Schemes comprised of 26 TCAs in migrating away from ISL to become ITSO Licensed Members: Kent County & Medway, Cambridgeshire County, Northamptonshire County and Nottingham City were provided with guidance documentation and assistance to ensure a smooth transition.

Continuous working hours support has been provided by the ISL Helpdesk, with direct liaison afforded to supporting bureaus on behalf of TCAs in order to negate technical issues. The continuation of the ISL User Group provides regular communication with regional representative TCAs, whilst the ISL Website and Newsletter ensures that all ISL stakeholders are fully informed.

2.2 Milestones

Some of the milestones reached by ISL in 2009/10 include:

- Surpassing 6 million concessionary passes issued by ISL TCAs on 3 August 2009;
- The complete phase out of Mifare® Classic Customer Media from its ITSO Operating Licence by 31 December 2009 (except for TCAs retaining derogation);
- The completed migration of Kent County & Medway Council away from ISL by 26 October 2009, one of the largest Concessionary Schemes with an eligible population of approximately 488,000;
- The inclusion of London Councils comprised of 33 London Boroughs on 10 August 2009, for the issuance of 1.2 million Freedom Passes using ISL HOPS & ISAM facilities.

3 Communications Summary

3.1 ISL User Group

In this financial year, ISL has focused much of its TCA relations strategy on the ISL User Group. Since its inception in June 2009 the User Group has addressed a number of ITSO-related topics between a group of regional representative TCAs and ISL. The current list of regional representatives is shown in Figure 3.1 below.

Figure 3.1: ISL User Group - regional representatives

Name	TCA	Region Represented
Jane Brudenell	Derbyshire County Council	East Midlands
John Wiseman	Hertfordshire County Council	East of England
Pauline Pownceby	Watford Borough Council	East of England
John Souter	Nexus Tyne and Wear	North East
Bill Harbottle	Nexus Tyne and Wear	North East
Roy Steele	South Gloucestershire Council	South West
Mark McCrickard	Stratford-Upon-Avon District Council	West Midlands
Jason Read	Hull City Council	Yorkshire

Some of the key topics discussed by the User Group have included:

- Mifare® Classic Customer Media phase out;
- Data protection and Privacy Laws;
- DfT Consultation distributions;
- TCA Migration/smart scheme implementation;
- Handheld Verification Devices.

The User Group convenes on a quarterly basis and TCAs may liaise either with ISL or their regional representative in order to raise, discuss or ascertain feedback on current issues. At the present time the User Group requires regional representation for the South East and London - ISL would welcome any approaches from TCAs wishing to apply for representation; this can be made via the ISL Helpdesk (contact details are shown on the back cover of this document or can be found on the ISL Website).

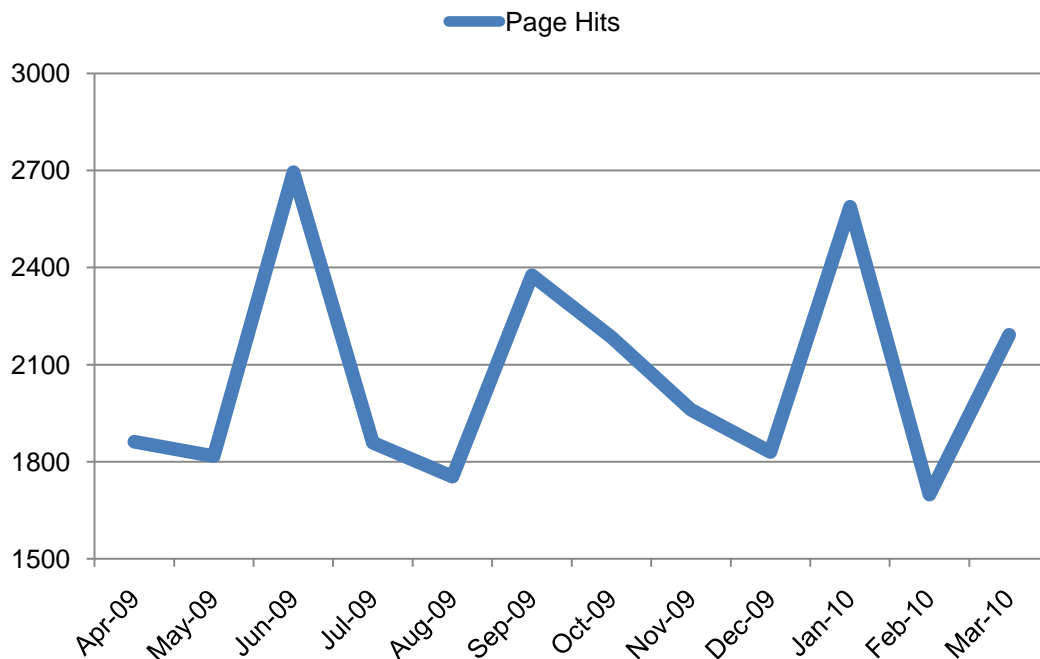
3.2 ISL Website

The website remains the primary source of documentation and information for all ISL stakeholders. In June 2009 and in association with ITSO Ltd and Wizzy Design Ltd, the website underwent a transformation to its current design in order to deliver a more customer-friendly service. This included:

- ‘Quick Launch’ icons linking the home page to pages containing the ISL Newsletter, Documents & Links, Events and Contact Information;
- A Latest News column detailing up to date information from ISL;
- ISL Core Values;
- A helpful Glossary of Terms designed to explain technical and ITSO-related terminology to non-technical readers;

As a result of this update, website traffic has increased compared to the previous financial year. Figure 3.2 below details the number of page hits received in 2009/10 on a monthly basis.

Figure 3.2: ISL Website page hits 2009/10



Website traffic peaked in June (2,695 hits) with September and January also experiencing higher than normal levels of traffic; on average the ISL Website receives 2,068 hits per month. Excluding the homepage, 7 pages have received over 1,000 hits in 2009/10.

3.3 ISL Newsletter

ISL continues to distribute its Newsletter to TCAs on a bi-monthly basis, providing the reader with relevant, current information. It is issued in accordance with DfT and is published on the ISL Website under the 'News' subpage, as well as the 'Latest News' column visible on the homepage. Some of the more typical topics discussed in the Newsletter include:

- Mifare® Classic Customer Media phase out – updates and notices;
- ISL project updates;
- Communication updates, including ISL User Group information;
- Smart scheme pass production updates;
- Technical notices, including relevant ISAM, ISRN, stop listing and test card information;
- Notices of TCA migration;
- ITSO and DfT notices.

The newsletter is intended for distribution to all ISL TCAs and remains an important tool in the dissemination of information from ISL to TCAs. If you do not receive the newsletter by email and would like to, please contact the ISL Helpdesk to be added to the distribution list.

In addition to the ISL Newsletter for TCAs, ISL issued the first Supplier Newsletter in December 2009, designed specifically for supporting bureaus and in-house pass producing TCAs. With a more technical theme, this newsletter provides information on ISL HOPS Maintenance schedules, ISL HOPS statistics and ISL HOPS - POST messaging activities. Although this is only distributed to supporting bureaus and in-house pass producing TCAs, all versions are available to access from the ISL Website under the 'News' subpage.

3.4 Direct Communications

In addition to the communication activities described in this section, ISL continues to communicate directly with TCAs and supporting bureaus. Figure 3.3 details distribution email topics.

Figure 3.3: ISL email distribution – topics by frequency

Topic	Description	Target	Frequency
ISL HOPS Maintenance	Notification of scheduled downtime for ISL HOPS to undergo maintenance/upgrades.	In-house TCAs/card providers	Every 1-2 months
Notification from ITSO Ltd	Information release by ITSO Ltd is disseminated to ISL TCAs for reference.	ISL TCAs	Every 3-6 months
ISL Website Updates/Notices	Notice of updates or new information added to the ISL Website.	ISL TCAs	Every 3-6 months
Requests for Information	Specific information ISL may require from TCAs, such as points of contact, changes of card provider or customer media stocks.	ISL TCAs	Every 3-6 months
Event Notices	Information and invitations to ISL associated events, such as ITSO Workshops or external events.	ISL TCAs	Every 3-6 months

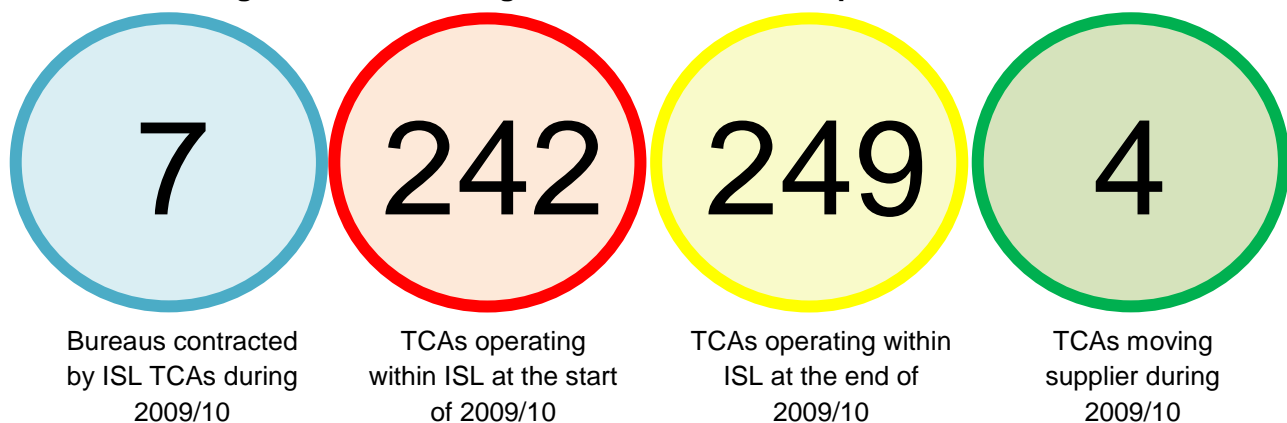
In order to maintain efficient email distribution, ISL regularly updates its TCA contacts database. If you are an ISL TCA who does not regularly receive email circulations and would like to be added to the distribution list, please contact the ISL Helpdesk.

4 TCA – Card Provider Relationship Summary

The relationship between TCAs and their card providers has been further cemented in 2009/10, with only a minority of TCAs switching provider. The majority of ISL TCAs now contract providers for post-bulk concessionary pass production, with only London Councils currently issuing in bulk.

Figure 4.1 highlights some of the key statistics involving ISL TCAs and their contracted card providers for this financial year.

Figure 4.1: Feature figures in ISL TCA – card provider activities



In-house concessionary pass production has continued in a similar fashion to 2008/09, with 20 ISL TCAs using this method of production. ISL continues to liaise closely with in-house TCAs in regards to their day-to-day business activities involving the ISL HOPS, ISL ISAMs, ISRN allocation and deployment, plus any ITSO-related technical issues flagged.

Whilst ISL is contracted to its member TCAs, there is no formal bind with supporting card providers; however, ISL remains committed to working closely with supporting card providers on behalf of its member TCAs both directly and through the circulation of notices including:

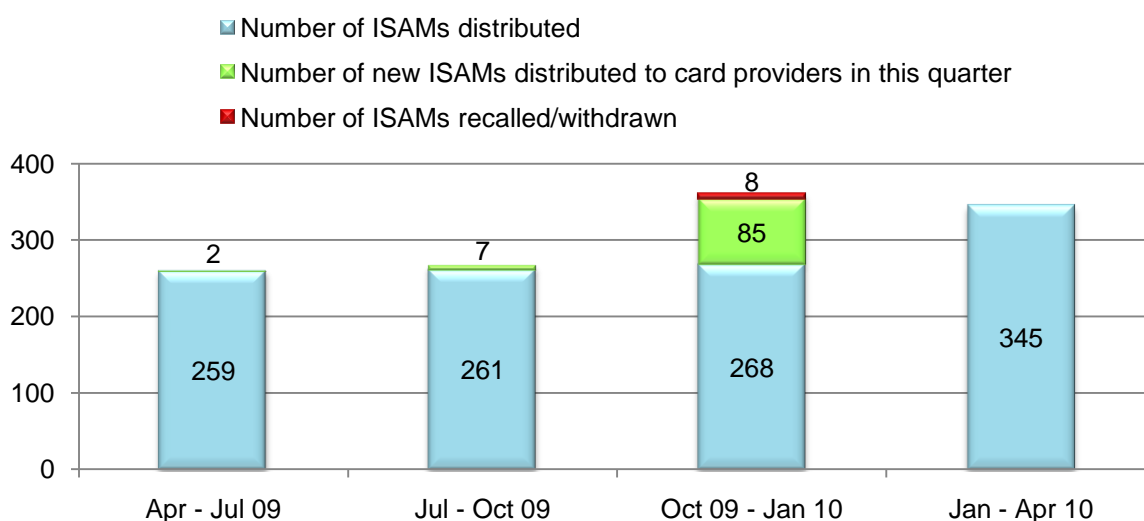
- Notification of Class 3 security message deliveries (the remote function whereby concessionary products may be added to ISL ISAMs or ISAM expiry dates may be extended, see Section 5 for more details);
- Notification of ISL HOPS Upgrades and Scheduled Maintenance Downtime;
- Other information considered of benefit, such as technical notes disseminated from ITSO Ltd, event notification or customer services information;

ISL continues to closely monitor outstanding Class 0 messages (these are messages to acknowledge the delivery of data batches, known as 'ACKs'); it is the responsibility of all supporting card bureaus and in-house producing TCAs to ensure that all outstanding Class 0 messages are collected in order to fully complete the batch submission process for the addition of ENCTS pass information to ISL HOPS.

5 ISAM Provision Summary

In its role as ITSO Licensed Operator, ISL is responsible for the supply and management of ISAMs to member TCAs, providing both contracted card providers and in-house producing TCAs with stocks as per individual request. ISL’s live ISAM pool fluctuates depending on demand, Figure 5.1 below shows the number of ISAMs in current circulation during the financial year.

Figure 5.1: ISL ISAM pool for ENCTS 2009/10*



**Please note this does not take into account recycled/reused ISAMs*

This illustrates that the overall demand for ISAMs peaked during the latter stages of 2009, primarily due to the inclusion of London Councils and provision of other Second Shell ISAMs. ISL actively seeks a programme of recycling/re-issuing ISAMs in order to reduce ISAM purchasing and connection costs; currently ISL manages an ISAM pool of 345 ISAMs.

One of ISL’s core technical activities involves the maintenance of ISAMs via Class 3 security messaging (this is the process whereby the ISL HOPS may renew ISAMs and add/remove TCA-specific product keys upon request). On 29 July 2009, ISL released Class 3 messages designated to renew product keys for all ISL ISAMs; this was a necessary action required by ITSO that was successfully completed by all supporting card providers and in-house producing TCAs.

Whilst the majority of ISAMs experienced no operational problems during the financial year, a minority of ISAMs were reported to ISL by supporting card providers. Upon further investigation 8 ISAMs were discontinued from service. ISL continues to work closely with ACT in tackling ISAM errors in order to maintain a fully functioning ISAM pool.

6 ISL HOPS Statistical Analysis

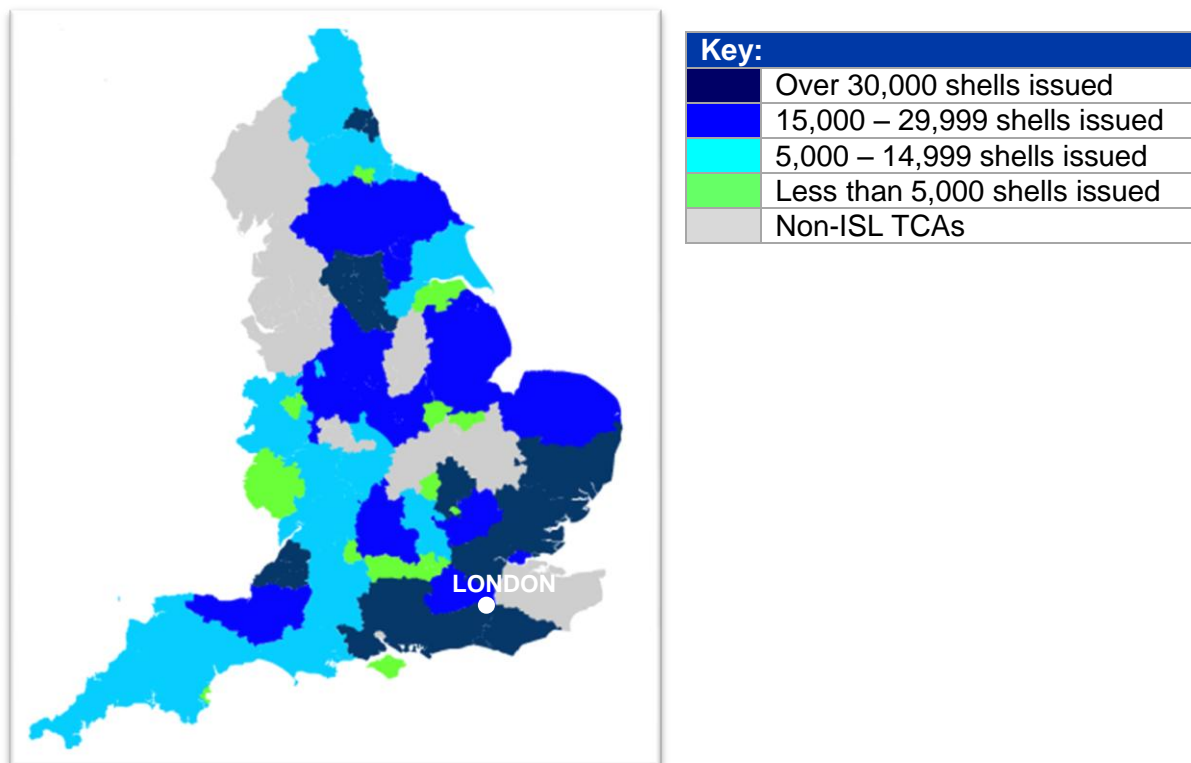
The ISL HOPS, implemented in October 2007 by ISL and ACT, is one of the largest repositories of concessionary data in the UK. Although the primary purpose of the ISL HOPS is to store concessionary data until such time as TCAs migrate away from ISL to become individual ITSO Licensed Operators, it also provides indication of the speed and nature of ENCTS development.

Regarding another year of successful delivery of the ISL HOPS Gary Watts, Managing Director of ACT, commented:

“ACT is simply delighted to recognise the two year anniversary since the commissioning of the live ISL HOPS (AMS) managed service. The past year has seen the ISL HOPS service process some 1.8 million ITSO Concessionary Travel Passes across seven bureaus and has also seen further development of the ISL HOPS (AMS) product and services to meet the evolving needs of the DfT, ISL and its customers. I look forward to continuing our programme of work with ISL and to the continued success of ISL.”

In 2009/10 1,873,919 new shell accounts (concessionary passes) have been processed by the ISL HOPS. Figure 6.1 illustrates the dispersion of all shell accounts for ISL TCAs. *Please note figures are compiled at Scheme (Product OID) level and non-ISL TCAs are omitted.*

Figure 6.1: Shell accounts processed by the ISL HOPS per ISL TCA (2009/10)

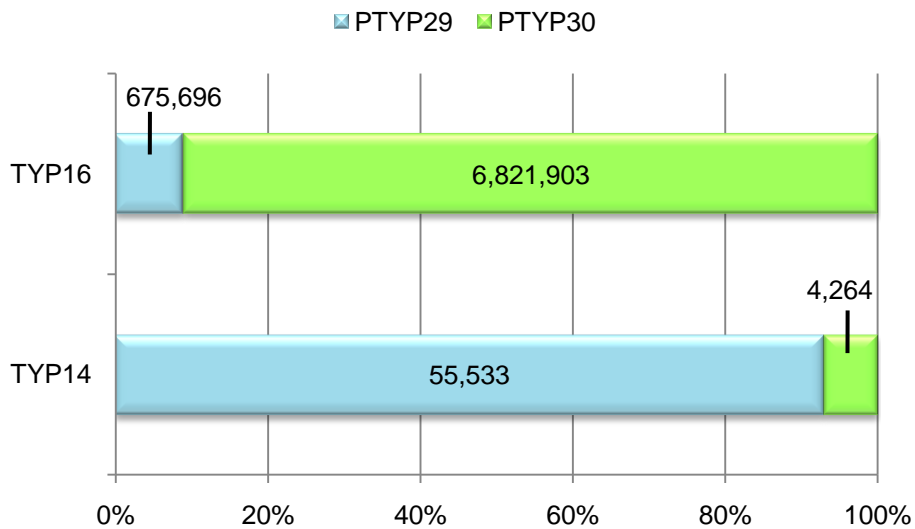


The predominant shell issuers within the ISL Operating Licence for 2009/10 include London (1,000,573), Hampshire County (57,584) Metro West Yorkshire PTE (53,405 shells), Essex

County (47,228) and Central Bedfordshire (41,589); the smallest issuer within the ISL Operating Licence was Isles of Scilly, with just 41 shell accounts processed. ISL has now grown from 3.8 million shell accounts processed by April 2008 through 5.7 million processed by April 2009 to over 7.6 million processed by March 2010.

Figure 6.1 can be viewed as an indicator for the number of standard concessionary products (TYP16) processed by the ISL HOPS. However, some TCAs provide extra local concessionary products in addition to standard concessions (known as TYP14 products). Similar to TYP16 products, TYP14 products may be divided into those allocated for the disabled (PTYP29) and those allocated for people over the age of 60 (PTYP30). Figure 6.2 shows the number of TYP16 and TYP14 products that have been processed by the ISL HOPS.

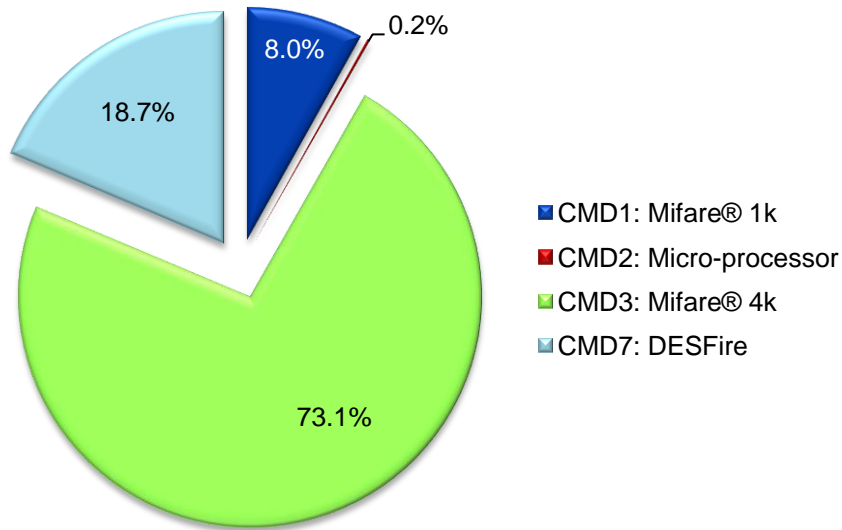
Figure 6.2: ISL TYP 16 & 14 products processed by the ISL HOPS (overall)



This illustrates that the majority of TYP16 products are allocated to people over the age of 60, whilst the majority of TYP14 products are allocated to disabled people – typically a TYP14 is allocated for companion cards.

With the phase out of Mifare® Classic Customer Media has come the advent of large-scale production of alternative media. Figure 6.3 details shells processed by ISL per customer media type (CMD).

Figure 6.3: CMD composition of shells processed by the ISL HOPS

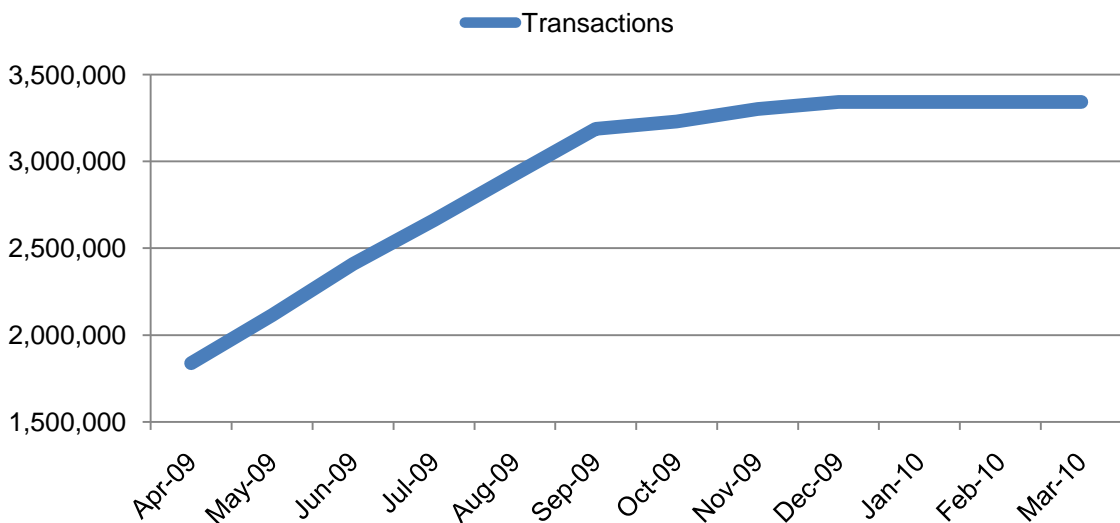


Whilst Mifare® 4k remains the most prevalent CMD processed by the ISL HOPS, DESFire is now the preferred option for the majority of ISL TCAs. ISL expects to see the overall number of DESFire shells processed by the ISL HOPS increase substantially in 2010/11.

ISL has no remit to provide a smart transaction environment for its member TCAs, however the ISL HOPS does receive ENCTS transaction data recorded by smart ITSO Licensed Operators through HOPS-to-HOPS communications (whereby a HOPS recording transaction data made by an ISL TCA concessionaire in a smart area will forward this data to the ISL HOPS as a 'Not on Us' transaction.)

Figure 6.4 details the number of transactions (journeys) made by ISL TCA concessionaires over the course of the financial year within smart ENCTS environments.

Figure 6.4: ISL TCA concessionary pass transactions in smart areas 2009/10



The number of transactions forwarded to the ISL HOPS has steadily grown throughout the financial year; approximately 3.34 million transactions have been recorded by the end of March 2010. This is an indication of the development of smart environments within ENCTS, as more smart POSTs (Electronic Ticketing Machines) are recording ISL TCA concessionaire activity.

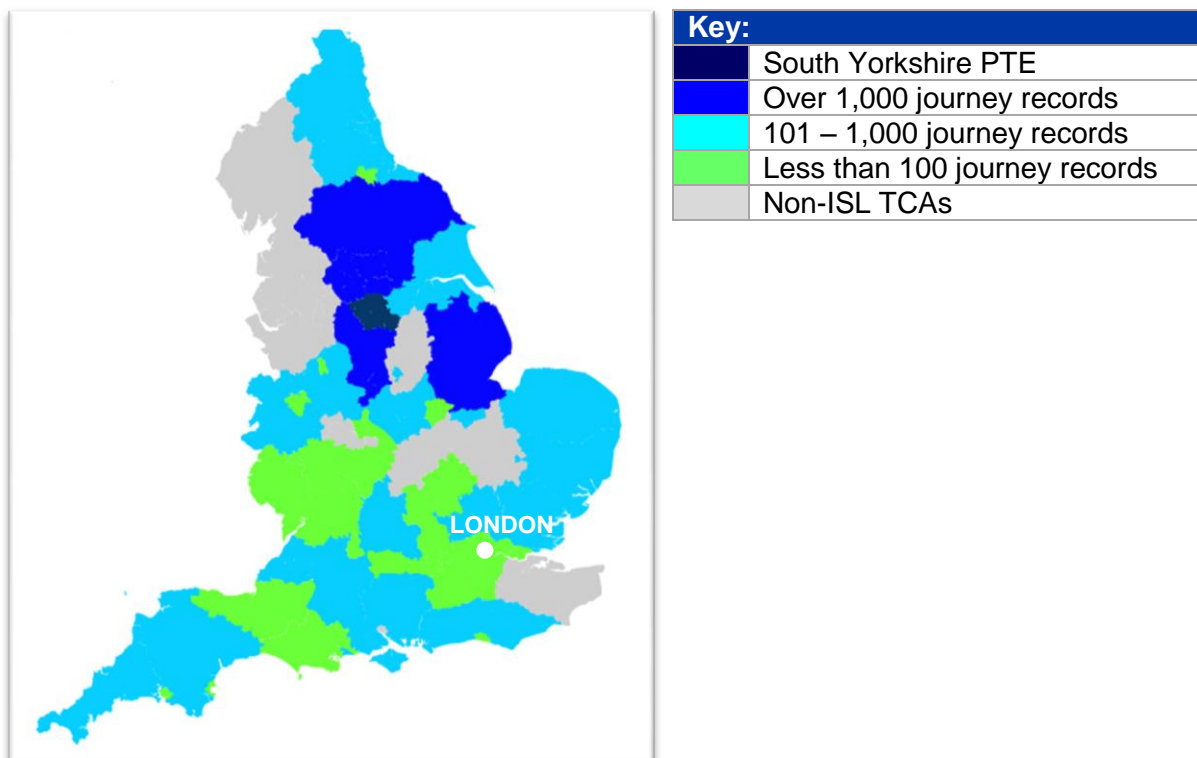
Some of the journey transaction data gathered by the ISL HOPS can be presented for further illustration on concessionaire travel habits. Figure 6.5 provides a tally of total transactions recorded per smart scheme participating in HOPS-to-HOPS communication with the ISL HOPS.

Figure 6.5: Recorded ISL TCA journey transactions in smart scheme areas

Scheme	Total Records	Scheme	Total Records
Cheshire County	166,374	Nottinghamshire County	51
Centro WMPTE (disabled)	2,182	South Yorkshire PTE & Yorcard	1,604,279
Greater Manchester PTE	4,192		

The majority of records relate to the Yorcard pilot scheme, a joint project between South Yorkshire and West Yorkshire PTEs which has now been discontinued. Figure 6.6 below illustrates the dispersion of journey transaction records from the Yorcard pilot.

Figure 6.6: ISL TCA journey records from the Yorcard pilot scheme



It is interesting to note the most prevalent passholder origins recorded: understandably the vast majority of records relate to passholders from within South Yorkshire (1,571,254).

Neighbouring schemes feature prominently, including North East Derbyshire (8,836), Chesterfield (3,671), West Yorkshire PTE (2,753) and Derbyshire Dales (2,117). 90% of ISL TCAs have at least 1 passholder journey recorded, with 14% of ISL TCA passholders recording 100 journeys or more and 3% recording 1,000 journeys or more.

Figure 6.7 details the top 5 ISL TCA journey transactions in the other smart areas recorded in the ISL HOPS.

Figure 6.7: Journey transactions within smart ENCTS schemes – top 5 ISL TCAs

Cheshire County	Records	Centro WMPTE (disabled)	Records
Staffordshire Moorlands	55,956	South Staffordshire	372
Stoke-on-Trent	51,915	Redditch	287
Newcastle-Under-Lyme	38,968	Stoke-on-Trent	243
Stafford	13,885	Stratford-Upon-Avon	226
Shropshire County	5,333	Wychavon	173
Greater Manchester PTE	Records	South Yorkshire PTE	Records
West Yorkshire PTE	428	South Yorkshire PTE	3,521
Harrogate	388	North East Derbyshire	16
Plymouth	335	Chesterfield	9
South Yorkshire PTE	262	Tyne and Wear PTE	5
Rushmoor	258	West Yorkshire PTE	5

Only 51 journeys were recorded from Nottinghamshire County, of these 11 were made by passholders from East Northamptonshire and 10 from Kettering. Whilst the majority of records identify as neighbouring or regional TCA passholders, records for Greater Manchester PTE identify Plymouth and Rushmoor (Hampshire) as two longer distance TCAs. It should be noted that the relatively low figures displayed are indicative of the early stages of recording smart journeys. With further developments in smart ticketing infrastructures on the part of all TCAs, greater clarity may be attained to identify accurate travel habits within ENCTS.

Figure 6.8 contains further selected statistics taken from the ISL HOPS.

Figure 6.8: Selected ISL HOPS statistics

ISRN (pass reference number) deployment	
Total % allocated Shell 100	96.9%
Total % used Shell 100	76.8%
Total % allocated Shell 110	32.0%
Total % used Shell 110	10.0%
Data frames	
Total data frames processed	70,139,656

For further information regarding stop listing, please see Section 8.5.

7 Financial Summary

In this financial year ISL has delivered its remit under budget and without compromise to quality of service, whilst operating under budgetary constraints. Figure 7.1 below details the key financial figures for this financial year.

Figure 7.1: Income and expenditure summary to end of March 2010

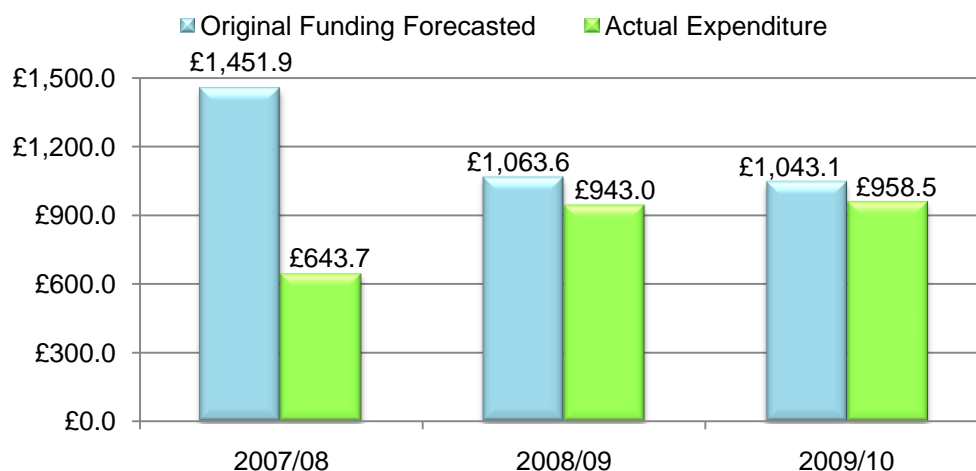
Income	£(000s)
Surplus carried forward from financial year 2008/09	548.4
Total income excluding carry forward	484.6
Total income	1,033.0
Expenditure	£(000s)
Forecasted total operating expenditure	958.5
Surplus carried forward into 2010/11	74.5

Please note that the amounts shown in Figure 7.1 are subject to audit, ISL's income refers to the funding it receives from DfT, as well as a nominal reimbursement for IPE14 fees (reclaimed by ITSO). ISL's expenditure relates to a number of areas, such as:

- ITSO Membership and Operating Licence fees;
- TCA Data Repository costs (ACT);
- ISAM profiling and delivery costs;
- General professional and support fees;
- Staff and administration.

As a continuation of service, ISL funding for financial year 2010/11 has been approved by DfT. Figure 7.2 illustrates the savings made in lieu of original forecasting projected at the inception of ISL.

Figure 7.2: ISL forecasted and actual expenditure 2008 - 2010*



*Please note that amounts are shown in 000s

In continuing to deliver best value, ISL has saved approximately £1.01 million compared to the original expenditure estimates projected at the inception of ISL.

8 Project Summaries & Development Work

This section details the main project activities undertaken by ISL in this financial year.

8.1 Mifare® Classic Customer Media Phase Out

One of ISL's major projects in this financial year concerned the mandated phase out of Mifare Classic Customer Media (CMDs 1&3) from the ITSO Environment. In order to successfully complete this programme, all ISL TCAs were required to switch to alternative customer media sources before 31 December 2009 (except in exceptional circumstances whereby ITSO granted derogation).



All ISL ISAMs required the removal of CMD 1&3 keys before 31 December 2009, in order to ensure that the ISL Operating License was compliant to the requirements of ITSO in this regard. The programme of phase out was a challenging one, given that six supporting bureaus and 214 TCAs were required to undertake a switch to alternative ITSO-compliant customer media. Through direct liaison initially with all ISL TCAs, then subsequently with all supporting card providers and in-house issuing TCAs, ISL was able to monitor and assist the process.

By 31 December 2009 all 214 TCAs, including 18 in-house TCAs and 6 supporting card providers, had successfully implemented the phase out of CMDs 1&3, adopting alternative customer media.

8.2 TCA Migration

The migration of TCAs away from ISL to become individual ITSO Licensed Members is of paramount importance to the medium to long term development of ENCTS. Now that the incumbent scheme has been in operation for approximately 2 years (since roll-out began in April 2008) more TCAs are preparing to make this necessary transition. Figure 8.1 below details those TCAs who have migrated or have started to migrate during this financial year.

Figure 8.1: TCA migration 2009/10

	Scheme	Kent County & Medway Council
	Population	1,621,000
	Number of TCAs	13 (including 1 Unitary Authority - UA)
	End of Migration	January 2010
	Scheme	Northamptonshire County Council
	Population	651,800
	Number of TCAs	7
	Start of Migration	September 2009
	Passes Issued under ISL Licence	101,584



Scheme	Cambridgeshire County Council
Population	588,900
Number of TCAs	5
Start of Migration	July 2009
Passes Issued under ISL Licence	96,699



Scheme	Nottingham City Council
Population	278,700
Number of TCAs	1
Start of Migration	August 2009
Passes Issued under ISL Licence	64,667

Overall, 4 Concessionary Schemes comprised of 26 TCAs have migrated or have started to migrate away from ISL during 2009/10. ISL anticipates further migration during 2010/11; further details are shown in Section 9.1.

ISL has issued guidance documentation for all migrating TCAs, which is available to download on the ISL Website under 'Documents and Links'. This includes essential forms of technical criteria and consent issued for TCAs migrating away from ISL.

8.3 Inclusion of London Councils

Whilst 26 TCAs migrated away from ISL during this financial year, London Councils was welcomed to the ISL Operating License in August 2009. Comprised of 33 London Boroughs and a population of approximately 7.6 million people, London Councils has commenced production of approximately 1.2 million Freedom Passes for its concessionaires.

The Freedom Passes invoke dual ITSO-Oyster encoding, whilst instigating the first use of ISRNs from the second shell OID. The ITSO element within Freedom Passes allows the pass to be used as a smartcard for travel in ITSO smart areas. Work is also ongoing to allow non-London ENCTS cards to be used as smart cards for travel on London buses.

In conjunction with the supporting card provider, ISL provides London Councils with a data repository (ISL HOPS), ISAM provisions, ISRNs and any technical support should it be required.

8.4 Technical Support

Given the established nature of ENCTS (now closing out its second year of operation since rollout in April 2008), this financial year has seen ISL offer technical support in view of maintaining a steady and continual operation. Whilst technical support largely consists of ISAM management, ISRN allocations and data analysis, ISL has been on hand to provide consistent support to card providers and in-house producing TCAs experiencing technical problems.

With the support of the ACT ServiceDesk, ISL has continued to provide technical problem solutions. This remains an integral part of its delivery, in order to ensure that the ‘back office’ aspect of ISL is maintained.

8.5 Stop listing

As part of its remit, ISL is contracted to provide and administer a hot listing process for member TCAs in order to reduce fraudulent use of concessions. By the end of this financial year, ISL had received and imported 370,800 records to the ISL HOPS. Figure 8.2 details some key statistics regarding stop listing.

Figure 8.2: Stop listing – statistical summary

Top stop listing submitting TCAs (CPICC level)			
Metro West Yorkshire PTE	32,813	Nexus Tyne & Wear PTE	20,039
South Yorkshire PTE	16,300	Kingston Upon Hull UA	11,037
TCA stop listing fulfilment (discounting London Councils)			
Total TCAs submitting stop listing to ISL HOPS			207
Number of TCAs yet to submit stop listing to ISL HOPS*			9

**TCAs not sending stop list data to ISL HOPS, either directly or via ISL*

The third development phase of stop listing now provides additional security functionality to the ISL Operating License. Transaction data generated by ISL TCA concessionary passes is forwarded to the ISL HOPS, at which point stop list records are consulted to identify any transgressions. Should a stop listed concessionary pass be used in a smart transaction, the ISL HOPS will isolate and hot list the shell, rendering it unusable in the future. Hot listing is one of the core benefits of the ITSO Environment and as ENCTS enhances its smart ticketing infrastructure, so will fraudulent concessionary activity be reduced. ISL continues to remain at the forefront of hot listing development amongst ITSO Licensed Operators.

8.6 Integration Support

ACT has continued to provide ISL with integration support measures during this financial year. 22 hours per month are afforded to ISL to cover measures including HOPS reporting, HOPS development, stop listing, ISRN and ISAM activities.

In addition to Integration Support, supporting measures contracted to ACT include:

- HOPS development: to provide for further stop listing development (phase 3) and additional reporting functionality;
- ISAM requests: all ISL ISAMs are profiled and connected at ACT before delivery;
- HOPS-to-HOPS Integration: assigned to deal with any HOPS-to-HOPS communication problems arising, this included managing high levels of HOPS-to-HOPS messaging activity and tackling contact issues experienced between HOPS;

Given the established nature of the ISL HOPS, future projects will have the express aim of maintaining HOPS functionality. In the next financial year, ISL intends to replace the above strands of support with a more streamlined Helpdesk Support conferred by ACT, in order that ISL may continue to deliver a successful, functioning data repository.

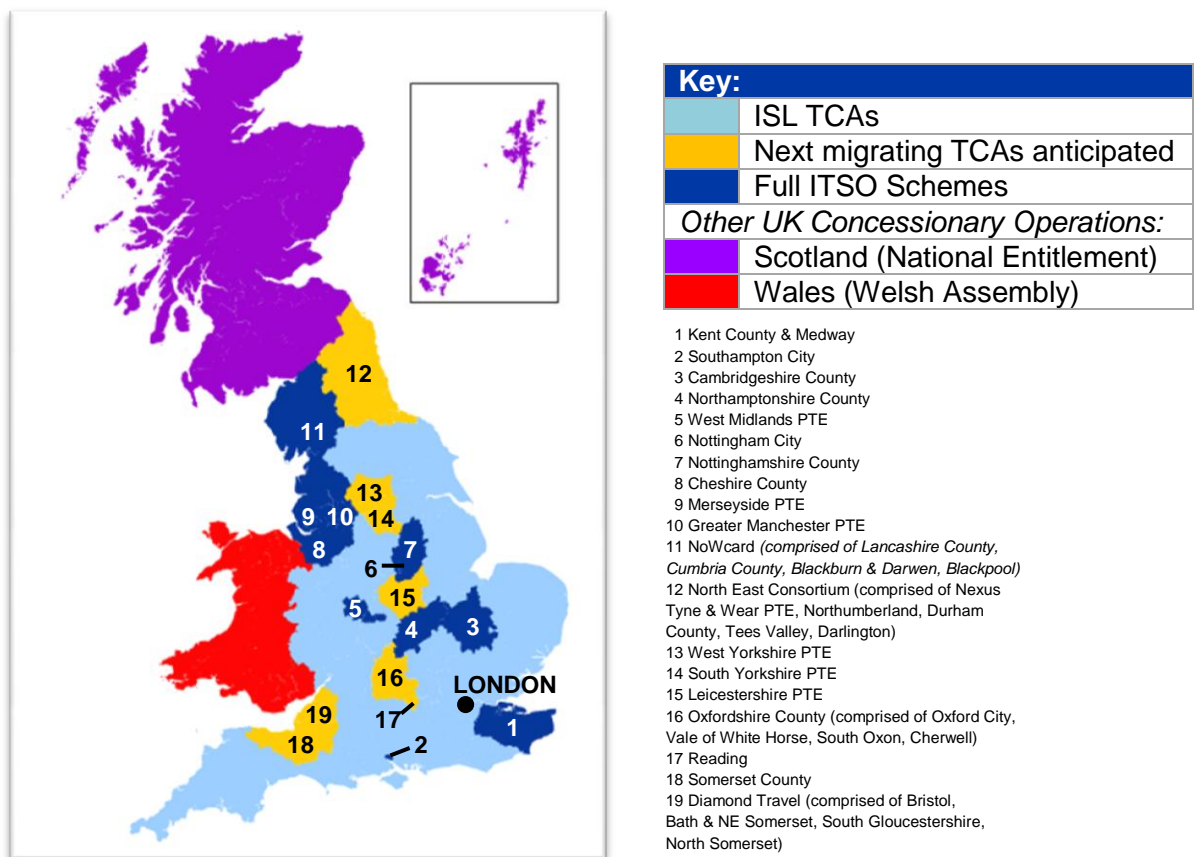
9 Activities for 2010/11

This section details some of the new activities anticipated for the coming financial year.

9.1 Further TCA Migration

As stated in Section 8.1, 26 TCAs have migrated away from ISL during this financial year, revising the total number of ISL TCAs to 249.

Figure 9.1: ENCTS national coverage (to end of March 2010)

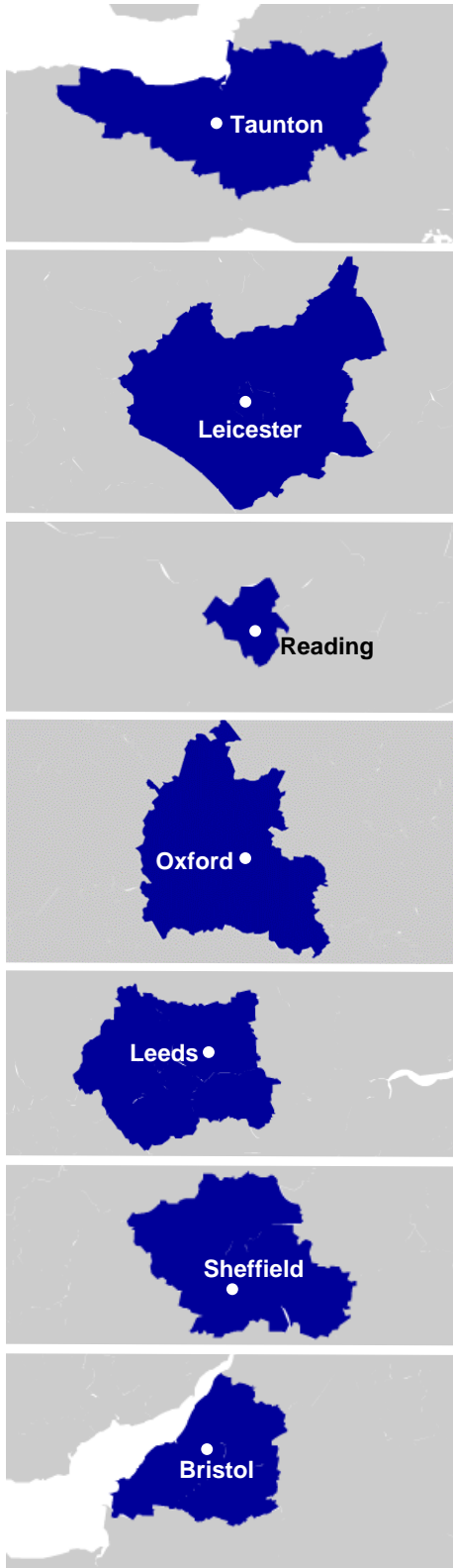


In addition to the migrations completed in this financial year, the following Concessionary Schemes shown in Figure 9.2 are anticipated to migrate away from ISL to become individual ITSO Licensed Operators in 2010/11.

Figure 9.2: Anticipated TCA migration 2010/11



Scheme	North East Consortium
Population	2,558,500
Number of TCAs	8 (initially led by Nexus Tyne & Wear PTE)
Passes Issued	617,940
TCAs included	Nexus Tyne & Wear, Durham County, Northumberland County, Tees Valley (x4 UAs), Darlington UA



Scheme	Somerset County Council
Population	515,600
Number of TCAs	5
Passes Issued	124,123
TCAs included	Mendip, Sedgemoor, South Somerset, Taunton Deane, West Somerset
Scheme	Leicestershire County Council
Population	755,700
Number of TCAs	7
Passes Issued	147,833
TCAs included	Blaby, Harborough, Hinckley & Bosworth, Leicester City UA, Melton, North West Leicestershire, Oadby & Wigston
Scheme	Reading UA
Population	145,100
Number of TCAs	1
Passes Issued	16,913
Scheme	Oxfordshire County (5 UAs)
Population	529,200
Number of TCAs	5 (all UAs)
Passes Issued	111,611
TCAs included	Oxford City, Cherwell, South Oxfordshire, Vale of White Horse, West Oxfordshire
Scheme	Metro, West Yorkshire PTE
Population	1,285,600
Number of TCAs	1 PTE
Passes Issued	455,149
Scheme	South Yorkshire PTE
Population	2,118,600
Number of TCAs	1 PTE
Passes Issued	279,269
Scheme	Diamond Travel (4 UAs)
Population	2,118,600
Number of TCAs	4 (all UAs)
Passes Issued	224,786
TCAs Included	Bristol, Bath & NE Somerset, South Gloucestershire, North Somerset

In December 2009 DfT announced that up to £20 million in funding is to be allocated to the nine largest urban areas in England, excluding London. The aim of this funding is to provide infrastructure that will benefit a large proportion of the population in the short term, and in the longer term form the basis for wider smart schemes.

9.2 Revision to Concessionary Administration

The transfer of concessionary administration to higher-tier authorities will have an impact upon ENCTS and its administration.

The revision of administration will see ENCTS management taken from lower-tier authorities, such as borough or district councils, and afforded to higher-tier authorities such as county councils. ISL currently supports 249 TCAs, which includes a range of authorities varying in both tier and size; as a result of this revision ISL will support 71 TCAs including PTEs, county councils and unitary authorities. Figure 9.3 puts this administration revision into illustrative context, providing a glimpse of how the future make up of ENCTS administration by TCAs may appear geographically.

Figure 9.3: Revision to ENCTS Administration: Future TCA Composition

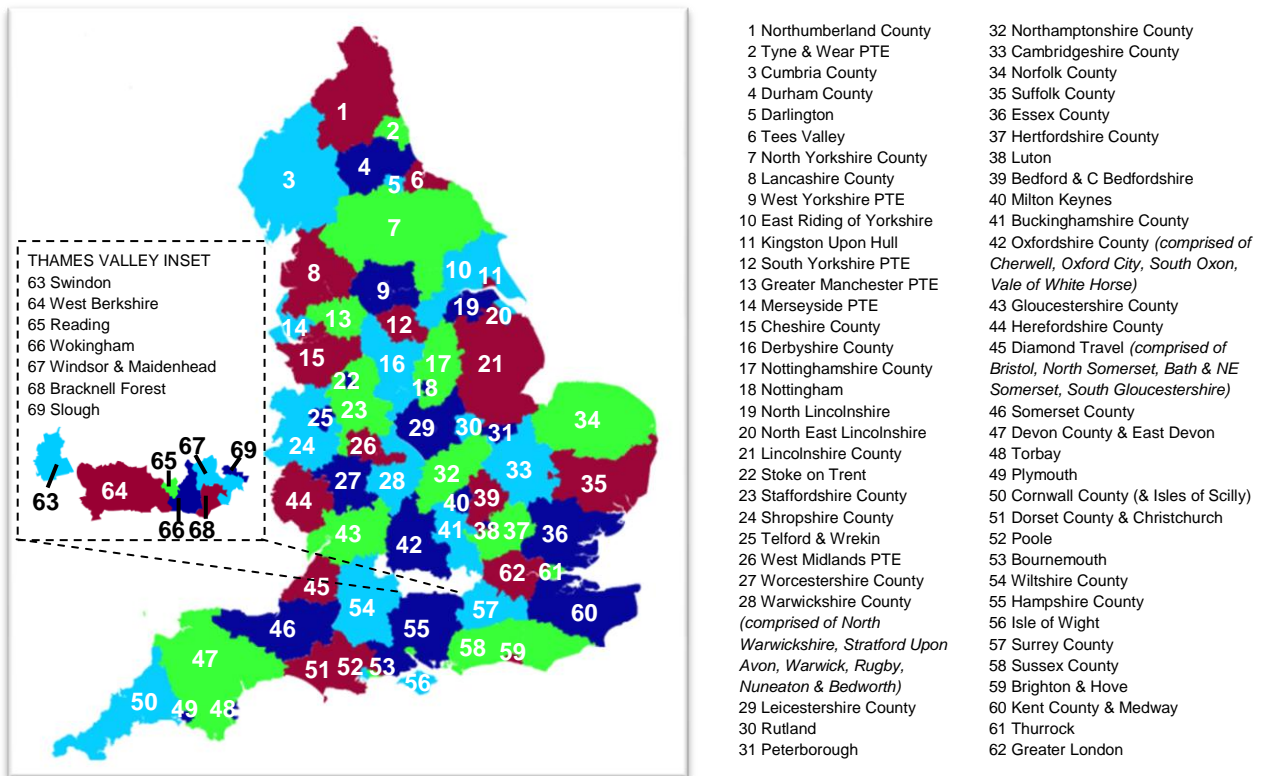


Figure 9.4 summarises the revision to concessionary fares administration.

Figure 9.4: Revision to ENCTS Administration: Summary Statistics

Income	Current	Future
Number of ISL TCAs	249	71
Total number of ENCTS TCAs	288	87

**Please note that PTEs are classed as 1 TCA and 1 higher-tier authority within these statistics*

With a revision to the contacts directory, ISL will ensure that its communications are delivered to the correct contacts. In addition, ISL will liaise with higher-tier authorities assuming the administration of stop listing in order to maintain the process of stop list submissions to the ISL HOPS.

10 Future Strategy

2009/10 was the second financial year of ENCTS operation since the roll-out of ITSO-encoded customer media in April 2008. The status of ISL at the present juncture indicates its established position and as such ISL does not envisage further development work as a necessary component of its delivery. Indeed, in consideration of the remit outlined in Section 1, ISL has delivered fully in all aspects and at present anticipates no change to its remit.

The ISL HOPS continues to provide a reliable data repository for a large proportion of ENCTS passes. Whilst no further development work is envisaged, ISL remains committed to maintaining the HOPS with ACT - a reliable HOPS remains vital to the successful delivery of ISL.

Financially, ISL has saved over £1 million in comparison with initial projected funding forecasts. Future forecasting models predict further savings to be made, without compromise to service delivery, the 2010/11 budget also projects annual costs within original funding projections.

DfT is committed to supporting ISL until 2012, with the option to extend support for a further two years. One of the key variables facing ISL's future activities is the rate of TCA migration away from ISL in order to become individual ITSO Members and Licensed Operators. Whilst activities and communications to encourage migration (such as guidance documentation and direct ISL - TCA liaison) remain at the forefront of ISL delivery, it is somewhat difficult to fully predict how this will unfold in the coming years given that any decision as to when to migrate is at the behest of the TCA.

In summary, ISL's future strategy is based upon two key aspects of its business:

- to maintain its operation in order to provide ISL TCAs with the best service available, continuing to provide HOPS and ISAM facilities as well as technical and practical liaison;
- to encourage and support all ISL TCAs in respects to migration away from ISL to become ITSO Licensed Operators.

In giving these core areas the utmost consideration, ISL looks forward to the continued successful delivery of its objectives.



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