

# ENVIRONMENT CABINET MEMBER MEETING

## Agenda Item 113

Brighton & Hove City Council

<b>Subject:</b>	<b>Real Time Bus Information via Text Message/SMS (Short Messaging Service)</b>		
<b>Date of Meeting:</b>	<b>19 February 2009</b>		
<b>Report of:</b>	<b>Director of Environment</b>		
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<b>Key Decision:</b>	No		
<b>Wards Affected:</b>	All		

### FOR GENERAL RELEASE

#### 1. SUMMARY AND POLICY CONTEXT:

To inform the Cabinet Member on a proposal extending real time bus information via text messaging (sms) and seek a decision as to whether to charge users for the SMS or to provide the service free of charge. The SMS will provide bus passengers with real time bus information via an already assigned code for every bus stop within Brighton & Hove.

SMS will increase the provision of real time information for every bus stop in Brighton & Hove thus improving accessibility and meeting commitments made in the Local Transport Plan 2006/07 to 2010/11 (p.97)

#### 2. RECOMMENDATIONS:

- 2.1 (1) That the Cabinet Member for Environment approves the implementation of the SMS at a charge of 25p per message for the service ensuring that the service does not create financial implications for the council. The 25p is in addition to a standard text message charge.
- 2.2 (2) That the Cabinet Member for Environment delegates to the Director of Environment authority to put in place the necessary arrangements to implement the SMS scheme.

#### 3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 South East Local Transport Authorities (SELTA), as part of a national contract with Traveline, awarded a contract to a commercial organisation, Kizoom to provide a national text message service. Brighton & Hove City Council is part of SELTA and therefore when the contract was awarded to Kizoom to implement SMS with real time information (RTI), the council were also part of the scheme. This meant that all Service Level Agreements with mobile phone operators had already been established and more importantly that there would be consistency across all bus stops both regionally and nationally.

- 3.2 The benefit of introducing SMS is that RTI will be available at all bus stops through the use of a mobile phone. (This will revert to timetable information if for any reason the RTI service is unavailable at a particular time). It will increase the accessibility of real time bus information in the City by providing a system that can be used by all residents and visitors to Brighton & Hove. This service will assist in disseminating real time information in addition to the on street displays currently installed.
- 3.3 The report in Appendix B written by Kizoom, the company providing the SMS service, advises that if the service is charged to the user then any revenue generated will be shared within the SELTA Traveline region not just BHCC, therefore BHCC would receive a proportion of this revenue.
- 3.4 If the SMS is free to use, the region costs are shared within the SELTA Traveline region not just BHCC, therefore the costs for BHCC would be a proportion of any costs.
- 3.5 Appendix C submitted by Kizoom offers some information on projected usage for the SMS in Brighton & Hove. As an example, based on 5000 message requests per month, the revenue for BHCC per annum if the messages are charged to the user could equate to approximately £1,725. If the system were offered free to user, based on the same usage figures the cost to BHCC would be in the region of £5,280 per year ( this is in addition to the £6,000 annual maintenance charge and these figures are based on the current pricing structure and only relate to theoretical usage).
- 3.6 The costs for marketing will vary depending on how we market the service. Research from other local authorities indicates that one of the successes of marketing the scheme is to change all the bus stop plates to incorporate the SMS number. Brighton & Hove Bus Company has also committed to assist with the marketing costs of the system.
- 3.7 Financial benefits will not necessarily be seen just for the council, as the region itself will benefit from SMS as more of the region begins to deliver RTI. Rebates, monies received from Kizoom and passed onto SELTA, will increase as the volume of messages increases. However, SELTA have agreed that the rebates would go to those who generate the traffic on the service and SELTA advise to treat any income from this service as a bonus rather than a budget for revenue costs. The region consists of Bedfordshire, Hertfordshire, Essex, Kent, East Sussex, West Sussex, Surrey, Berkshire, Oxon and Buckinghamshire.
- 3.8 For further information on the scheme please refer to the following appendices:
- Appendix A provides the Business Case to the project.
  - Appendix B provides the Deliverable and Pricing for the RTI project from Kizoom
  - Appendix C provides the projected usage and costs for SMS in Brighton & Hove

#### 4. CONSULTATION

- 4.1 As part of the Implementation Guide (Appendix B pages 13 – 17), Kizoom have included the West Yorkshire marketing case study.
- 4.2 As part of the research for the Business Case (Appendix A) four local authorities were contacted for their experiences in relation to both providing and marketing the SMS service. Those contacted were:

Hampshire County Council  
Poole City Council  
Norfolk City Council  
PTI Cymru, Wales

The contract with Kizoom is via Traveline and the local region SELTA, and would have been tendered for when the initial contract was awarded.

#### 5. FINANCIAL & OTHER IMPLICATIONS:

##### Financial Implications:

- 5.1 The continued roll out of RTPi will be funded from LTP Capital funds, subject to future budget allocations.
- 5.2 The revenue implications associated with the operation of the scheme such as maintenance costs will be funded from existing revenue budgets. At this stage it is difficult to quantify exactly the financial impact of charging at 25p per message or offering a free service. Based on the current price structure and an estimated monthly projected usage of 5,000 messages, the Council would receive approximately £1,725 in net income if a charge was made and incur a cost of £5,280 if offered free.
- 5.3 The risk in a free service is that if take up is much higher than predicted, the net cost to the Council would increase.

*Finance Officer Consulted: Patrick Rice*

*Date: 13/01/08*

##### Legal Implications:

- 5.4 Under Sections 139-142 Transport Act 2000, the Council has a duty to publicise and promote information regarding local bus services and the proposals in this report are in line with that duty.

*Lawyer Consulted*

*Elizabeth Culbert*

*Date: 10/10/08*

##### Equalities Implications:

- 5.5 The Full Local Transport Plan 2006/7 – 2010/11 (pg 97) states:

“The City Council will continue to roll out RTPi along the main routes and also to develop displays suitable for less well-served stops in the more suburban areas, thereby improving accessibility by increasing information on street about local bus services.”

#### Sustainability Implications:

- 5.6 The project will not affect any sustainability issues including, Sustainable Consumption and Production, Climate Change and Energy, National Resource Protection and Environmental Enhancement and Sustainable Communities.

#### Crime & Disorder Implications:

- 5.7 No implications for the prevention of crime and disorder can be identified for this project.

#### Risk and Opportunity Management Implications:

- 5.8 There is a risk that if the SMS service is not charged for, revenue costs for the council could increase

#### Corporate / Citywide Implications:

- 5.9 The SMS project will encourage the use of public transport and provide further information for real time bus information. Therefore there should not be any negative implications corporately.

### **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The alternative to charging for the SMS service is to provide the service free of charge to all users. It has been difficult to ascertain from the local authorities researched whether the usage of the service is increased if provided free to user or charged at 25p per message. For instance, Wales provide the service free of charge and provide a mixture of RTI and timetable information, but the Welsh Assembly Government meet the annual revenue costs of approximately £13,000. Hampshire charge for their SMS service, therefore the annual revenue costs of £6,000, which is the agreed charge via the regional Traveline service, could become cost neutral if the revenue for text charges is large enough within the region.

### **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Funding for marketing, advertising and incorporating SMS text numbers at the bus stops will be required therefore the recommendation is to charge the minimum 25p per message, which may help support the marketing strategy. However, it is important to note that any revenue made from this service is shared regionally. Kizoom estimate that a region with 1,000 bus stops should generate revenue of approximately £1,000 per annum, which would be shared equally between all those in the SELTA region not just the city council. Within the UK, 80% of the local authorities with SMS charge their users for the service.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Appendix A provides the Business Case for the Provision of Real Time Information via Text Messaging Service - SMS
2. Appendix B provides the Deliverables and Pricing for the RTI Project written by Kizoom.
3. Appendix C provides the projected usage and costs for SMS in Brighton & Hove

### **Documents In Members' Rooms**

None

### **Background Documents**

1. Business Case for the Provision of Real Time Information via Text Messaging Service – SMS.
2. Deliverables and Pricing for the RTI Project.
3. Kizoom's Implementation Guide.

