

# It keeps on growing

*Kevin Farquharson of (SCNF) Smart Card Networking Forum*

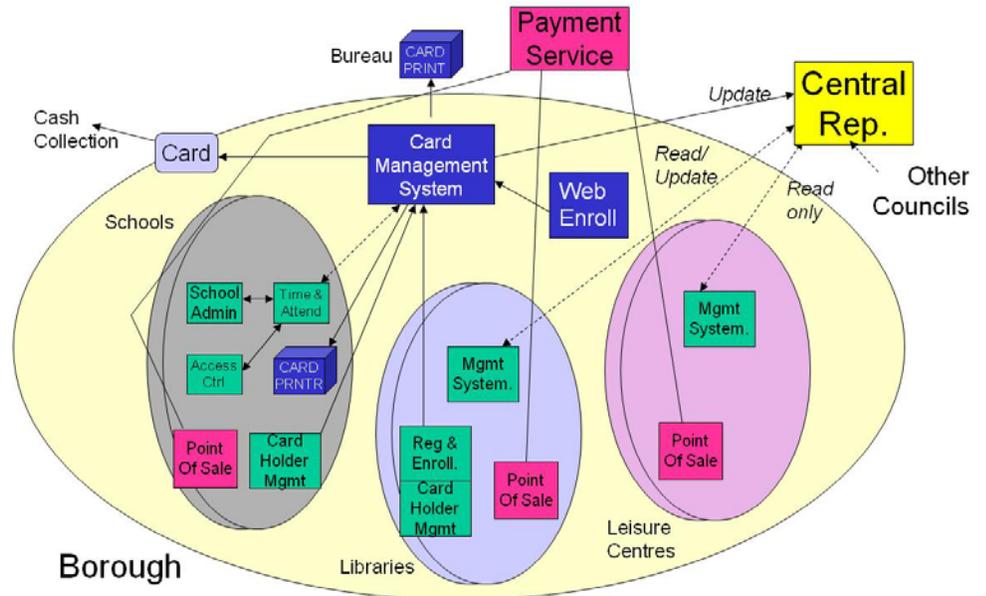
*Management Group on the growth and deployment of smartcard schemes*

In 2007 there were less than 20 local smartcard schemes in England and most were small, especially when compared to the transport-focused Oyster card in London and the concessionary fares scheme in Scotland. Wales and Northern Ireland could also claim more smartcards per head than the English shires. By 1<sup>st</sup> April 2008, the situation changed dramatically when 291 English authorities outside London became issuers of smartcards for the new free concessionary bus pass scheme.

While a few councils missed the April deadline, over 6 million cards were issued and the major question is when and how will citizens be able to use their cards as more than a flash pass and be able to access other services. In transport, Local Authorities are being encouraged by the DfT to implement smart card readers on buses to speed up boarding, validate concessionary cards and capture real time usage data. This could help reverse the national decline in bus usage. The majority of authorities followed the joint SCNF/LASseO recommendation to reserve half the space on the card for non-transport applications to maximise their future options.

Meanwhile, in London there has been significant progress and there are a number of milestones on the horizon. Reports published by London Connects and recent scheme implementations have shown how a positive business case can be achieved in leisure, libraries and schools and overturned previous scepticism. For example, the Waltham Forest OneCard was launched in 2007 and is now being extended for use in several secondary schools from September 2008. A number of other boroughs are planning to issue cards to most of their adult residents. With the falling cost of cards & scheme management and rising cost of printing, postage & customer facing staff, it makes increasing sense to issue one personalised card which can be used to access multiple services. The chart below shows a borough scheme with multiple applications and services.

The London boroughs are now working to a common design and approach to add library, leisure, resident parking, youth, school, cash collection, e-payment and loyalty applications. In schools, the national



re-build programme provides funding, infrastructure and management support to introduce secure access, e-registration and cashless catering. In 2010/11 there will be a need and opportunity to offer a successor for the Oyster card for concessionary transport, travel cards and potentially pre-paid travel.

In 2012, there is commitment to provide a smartcard as part of the London Olympics bid. All these factors are feeding into current planning by the London councils.

Another recent outsourcing example is the BSmart card, launched by Bolton Metropolitan Council which already operates one of the UK's most sophisticated multi-application card schemes and has now added a pre-payment facility. In this case, rather than using the banking Chip & Pin payment network, Bolton has opted to partner with a low cost small e-payment financial services provider. BSmart is aimed at getting young people into positive activities. The government is supporting BSmart and 8 other pilot schemes by offering bursaries of up to £40 per month to young people aged 13 to 16 who are in care or in receipt of free school meals. To enhance the project, every 11 to 16 year old in Bolton can have a BSmart card as well, which they and their parents will be able to credit using a secure online account. In this way everyone will be able to use e-money transactions and gain the experience of

managing an account over the internet. BSmart is free to all young people aged 11 to 16 and offers a range of youth activities as well as doubling up as a library and concessionary travel card.

The Bolton BSmart card and Your London Card demonstrate the benefits of aggregating a number of applications onto a single card, to maximise customer convenience and card usage which in turn, reduce average transaction cost for the card issuer. Such multi-application approaches are proving increasingly popular among local authorities, including Bracknell Forest, the Scottish Entitlement Card, Sheffield, Southampton, Warrington, Caerphilly, Windsor & Maidenhead, Hillingdon and Newcastle to name but a few.

The SmartCard Networking Forum is run by Local Government representatives to inspire the spread of excellence in local authority smart card schemes ([www.scnf.org.uk](http://www.scnf.org.uk)). The SCNF has run 25 events and covered over 70 schemes and case studies. Membership of the SmartCard Networking Forum is free for council officers and elected members, together with colleagues from other public sector, academic and voluntary organisations. The next SCNF event will take place in Halifax on 23rd Sept 2008 - see our website for details. Links to the suppliers and service providers who sponsor the forum can also be found on the website."