



UTMC Development Group: Invitation to subscribe 2009-2010

14 November 2008

Reference: UTMCD013-1.0

Cover + 15 pages

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1 Introduction

1.1 This document

1.1.1 The UTMC Development Group is intending to change its status with effect from 1 January 2009, from an informal interest group with no clear membership to a subscription-based membership body. This document outlines the rationale, benefits and timetable proposed for the change; it should be read in conjunction with UTMCD012, "Subscriber Terms and Benefits".

1.1.2 The function of this document is to inform potential subscribers of our plans, and to provide supporting information on which they can take decisions on whether to subscribe.

1.2 Background: the current UDG and the need to change

1.2.1 Around five years ago, the UTMC Development Group was formed as a voluntary group in the context of the Department for Transport's Urban Traffic Management and Control (UTMC) research initiative, which at that time was just coming to fruition. The UDG was seen initially as an advisory group of local authorities who would begin to take more control over the direction of UTMC as the market developed.

1.2.2 Development of the UTMC market has proceeded apace, and the UDG has long since taken on a fuller responsibility for UTMC. Key changes have been, in approximately chronological order:

- The establishment of a Specifications and Standards Group to oversee revisions to the UTMC Technical Specification
- The appointment of a professional Secretariat, funded by DfT
- The development of an election process for the Management Group to ensure community accountability
- Determination of clear rules for use of the UTMC logo and compliance claims
- Coming together with colleagues from other trade bodies developing ITS specifications, to found the Joint Chairs Group
- The initiation of formal Business Planning – a summary of the current Plan is presented in section 2 of this document
- The establishment of UTMC Ltd, under local authority ownership, to provide a commercial arm for the UDG
- The full inclusion of the private sector into the UDG governance mechanism
- The establishment of a continuing support contract with DfT for 2008-2010 (via UTMC Ltd)

1.2.3 The Management Group has determined that the next step is to set our operations on a more robust financial footing. There will be a number of aspects to this, but one of the key moves will be to raise cash from the UTMC stakeholder community via annual subscriptions.

1.2.4 The benefits of membership are at both national/community and individual member level. Collectively, we sustain an enterprise that facilitates clarity, interoperability, technical leadership and knowledge sharing – and continue to justify Government investment in the programme. Individual benefits include access to technical workshops and working groups, reduced costs to attend the Conference.

1.3 Outcome of market testing phase

1.3.1 Since late September 2008 the UDG has conducted a market testing exercise to determine the likely levels of interest in subscription membership, as well as the response of potential members to the structure of the package. The response has been generally positive but a number of specific issues have been raised, which have proved invaluable in developing this Invitation.

1.3.2 The key questions and issues raised, and the associated changes made in this Invitation document, are as follows.

- **The subscription model isn't fair to individuals/small companies.** The initial flat-rate proposal was determined as being simple to specify and administer, but we accept that this is a challenge for smaller organisations. The current tiered offer responds to this.
- **The overall programme looks expensive.** The cost profile presented in the Market Testing document was a two year programme, included contingency for future work, and included a certain amount of contribution in kind for projects run with partial LA funding. This was not made clear and we apologise for this. The actual amount required from annual subscriptions is much more modest (see table on page 10). As a result, we have reviewed and reduced the fee level for all subscribers.
- **What happens if you don't get the funding you need?** We wanted to present the "fully funded" model in the Market Testing document, ie the things we think would be of value – and could be delivered – now. There is a lot of scope for fallback, particularly in the area of general outreach (case studies, press articles, presentations at third-party events etc). There is an irreducible minimum required – but it is fairly modest.
- **Much of this work could be delivered by others, eg ITS(UK).** We agree. A big part of the programme involves working with and through other national bodies, both for efficiency and, indeed, to ensure "joined-up thinking". Our relationship with ITS(UK) in particular continues to develop and we will certainly continue to explore ways of coordinating the less technical events with them.

- **What are the exclusive benefits of membership?** This is a problem area. There is a reluctance to invest in a programme whose outputs are freely available to the world. However there is also a desire to keep UTMC as open as possible. We have responded to that here by providing additional support for members-only technical workshops, and exploring the possibility of an extended period (say six months) of members-only access to draft Tech Spec updates.
- **What is DfT's commitment?** DfT currently provides significant support for UTMC, especially on the technical maintenance activities. It does not support the community facing activities. Importantly, DfT support is time limited: we do not know how much support they will feel able to provide after February 2010. Our view is that DfT is more likely to continue to support UTMC if the community shows that it does so too. In other words, it would be unwise to rely on DfT's continuing maintenance of UTMC technically, if the UDG is allowed to wither.

1.3.3 We believe that the offer now is substantially improved for a wider range of potential members than in the market testing document. However as the discussion above indicates there are still important matters to explore over the course of the next year or so. We will therefore commit to revisiting the structure and operations of the UDG at the next AGM, taking into account the state of negotiations with DfT, ITS(UK), the Joint Chairs Group and others.

1.4 Action required

1.4.1 Recipients of this document are requested to consider whether they would like to continue their links with UTMC from 2009 by means of subscription.

1.4.2 An application form is being circulated with this Invitation.

1.5 Timetable

1.5.1 The timetable envisaged for this change is as follows:

- 14 November 2008: Release of subscription application documentation
- 3-4 December 2008: Annual Conference
- 12 December 2008: *Deadline for subscription applications for January 2009*
- Nov-Dec 2008: Business Planning for 2009-2010
- **1 January 2009: Subscription start date (option 1)**
- January 2009: Call for Management Group nominations
- February 2009: Papers for AGM issued to subscribers, including ballots and Business Plan
- March 2009: AGM and election of new Management Group

- **1 April 2009: Subscription start date (option 2)**

- 1.5.2 The current Management Group term of office expires on 31 March 2009.
- 1.5.3 Until the end of March 2009, including during the period January-March when some subscribers will have already joined, no operational changes will be made to the UDG. From April onwards, some UDG services and products may be restricted to members-only access. Section 3 provides further details of this.
- 1.5.4 Only subscribing UDG members will be entitled to participate in the AGM and elect the Management Group. This includes all those who have already joined the January intake, as well as all those who have signed up for April subscriptions by the date of the AGM.

2 Summary of current Business Plan

2.1 Introduction

- 2.1.1 The UDG’s Strategy identifies 25 specific Objectives that the UDG has set itself. We will deliver these using a mixture of stakeholder voluntary contribution and paid support resource. In addition we will develop relationships with other national organisations where these enable the efficient delivery.
- 2.1.2 In light of the response received during market testing, we have enhanced the Business Plan some areas and trimmed it in others.
- 2.1.3 “Objective” references in this section refer to the Objectives of the UDG’s Strategy.

2.2 Tasks

Management of the UTMC Technical Specification

- 2.2.1 The core of UTMC remains the framework open specifications that enable suppliers to provide interoperable systems, simplifying the procurement and integration of a range of traffic management and related applications. This needs maintenance.
- 2.2.2 There are three generic tasks in this WP:
 - Editorial control of the Technical Specification (including Objects Registry) in response to submissions;
 - Undertaking specific research and development activities to extend or refine the Technical Specification;
 - Refining and re-formatting the Technical Specification to make it clearer and more robust.
- 2.2.3 This WP is substantially funded by the contract with DfT, although a proportion of the work is done by members (mainly suppliers) in a working group context.

Objective 20a	Develop ANPR MIB
There is a CCTV data object but this is not specifically geared to ANPR. There is a task underway to develop the UTMC approach to ANPR and journey time, which is anticipated to deliver in stages between December 2008 and June 2009.	

Objective 20g	Manage Technical Specification updates
This task is the editorial control function on the Technical Specification and requires collating submissions, maintaining drafts, circulating among interested parties, revising and publishing a definitive update.	

- 2.2.4 New tasks may arise under this heading and will be managed within the overall budget cap, working with DfT as appropriate.

Guidance and resources for UTMC users

- 2.2.5 This WP provides for the development of support materials to help users and developers understand the UTMC architecture principles and the Technical Specification, and the UDG's operational processes (eg on compliance). This helps users make effective use of UTMC.
- 2.2.6 This WP is a significant drain on resources which is not funded by the DfT contract. This is the main area where a shortfall in subscriber funding would hit. We believe that this approach best protects the core of UTMC.
- 2.2.7 The resources developed under this WP will be based on the technical documentation in WP5, and will be communicated and distributed via the tasks in WP2 (outreach) and WP3 (events).

Objective 9a	Security guidance
Development of updated security guidelines, based on the outcome of the recent review. Publication.	

Objective 9b	Project management guide
Development of guidelines for project managers on how to plan and implement a UTMC system, similar to those produced for the passenger transport systems by RTIG. Publication.	

Objective 9c	Other guidelines
This task is a placeholder, anticipating the likely need for guidelines in other specific areas over the course of the coming two years.	

Objective 24	Construct and maintain product catalogue
This task will complete the development of an online product catalogue and integrate this into the UDG website at www.utmc.uk.com , through the contract currently in place with Halcrow.	

UTMC events

- 2.2.8 In 2005 the UDG undertook to hold two workshops per annum on specific topics. Since then, we have held events in cooperation with ITS(UK)'s Local Authority and Urban Interest Group, as well as UDG-hosted workshops; we have also supported meetings either embedded within technical projects (eg ANPR) or broader conference (World Congress, Traffex etc).
- 2.2.9 We expect to develop this pattern slightly, to provide greater benefit for members. In the coming year, we will seek to work with ITS(UK) LAUIG to build on the success of previous joint events; attendance at other external events will be significantly curtailed. On the other hand we will significantly increase the number of small-scale UDG events: half-day workshops with a specific technical focus.

- 2.2.10 In addition, the UTMC Annual Conference is now a popular and established feature of the calendar. They are also financially self-supporting. The 2007 Conference was very successful, and conferences are planned for both 2008 and 2009 as well.

Objective 12	UDG presence at key events
Encourage UDG members to speak at appropriate conferences and workshops through the year. Provide a speaker if appropriate.	

Objective 15	Workshops
Members' workshops will be held on topics of interest. We will work with ITS(UK) for larger and more general events and will ourselves lead on a number of smaller and more technical events.	

Objective 19	Annual Conference
Plan and manage annual conferences in late 2009, including workshops and exhibition; undertake marketing to achieve at least 150 attendees, including some from new organisations.	

Monitoring UTMC implementation around the UK

- 2.2.11 The UK needs to know the current state of play in the delivery of UTMC and its impact. No comprehensive, analytical survey has even been undertaken during the programme (although a small-scale survey was conducted in 2002).
- 2.2.12 This is fully funded by the DfT contract.

Objective 17	National UTMC survey
Development of a questionnaire. Distribution of questionnaire and chasing respondents, analysis of questionnaire data and production of a Survey Report. The use of TSG and the Traffic Managers' Forum may facilitate distribution and improve response rates.	

Communications and outreach to UTMC stakeholders

- 2.2.13 Outreach can be a complex and time consuming activity, and this is an area in which we have made considerable reductions in activity relative to the market testing document. Essentially we have retrenched this to maintaining the website and maintaining email contact with members. Wider outreach – newsletters, press articles, etc – will not be developed.

Objective 10	UTMC website
This task will maintain the UDG website at www.utmc.uk.com as an effective community information source. This excludes management of the online product catalogue which is currently in development (see section 2.6, Objective 24).	

UDG operation and administration

- 2.2.14 The UDG will only succeed in achieving its Objectives if it manages to sustain a coherent, respected organisation. This means having clear governance, with accountable funding and reporting mechanisms.
- 2.2.15 The activities required for this area are complex and varied, though in the main are not highly resource intensive. Some of this could possibly be done using volunteer resource (eg meeting secretariat), and this will be explored.

Objective 1	Develop business plan
Prepare working Business Plan; discuss with UDG MG and DfT; present to UDG members; maintain on a working basis	

Objective 2	General Meeting
Hold an Annual General Meeting, including elections to Management Group. Produce documentation for: nominations, calling notice, draft elections rules. Organise venue if appropriate – although this is more likely to occur via electronic means. Provide Clerk/Returning Officer function.	

Objective 5	Liaison with other key initiatives and Government
Participation in the Joint Chairs Group (JCG), working strategically with the chairs of TIH, RTIG and others. Support to JCG secretariat.	

Operation 1	Meetings of Management Group
Arrange and minute 4 meetings of the Management Group per year. Arrange venue. Prepare and circulate agenda and documentation prior to meetings.	

Operation 2	Meetings of Working Groups
Arrange meetings of the Working Groups – principally the Specifications and Standards Group – to be held at least 2 weeks prior to any Management Group Meeting. Arrange venue. Prepare and circulate agenda and documentation prior to meetings.	

Operation 3	Financial management
Administer bank account(s). Manage bidding, contracting and budgeting. Establish mechanism and administer invoicing and payments. Administer VAT. Administer any taxes, eg corporation tax.	
Coordinate with accountants, insurers, and other professionals.	

2.3 Resource needs

2.3.1 The UDG has, through UTMC Ltd, secured a substantial amount of resource from the Department for Transport to assist in delivering this Business Plan. DfT's contributions constitute technical research and national coordination: the maintenance of the UTMC Specification, including consultations, and the coordination of new developments. It also supports the work to maintain an informed open market.

2.3.2 The table below summarises the estimated resource implications of the plan described in Section 2.2 **for the financial year 2009-2010**. The source of funding is broken down as DfT contract, subscriber income, and other – the last including sources such as Conference attendance fees, but not including contributions in kind.

Task	Strategy Reference	DfT, £k	Subscribers, £k	Other, £k
Complete ANPR MIB	Objective 20	5	3	
Manage Technical Specification updates	Objective 20	4		
Security guidance	Objective 9	15		
Project management guide (modelled on RTIG's)	Objective 9	5		
Maintain product catalogue	Objective 24		4	
UDG presence at key events ("ambassador" function)	Objective 12		4	
Workshops	Objective 15		10	2
Annual conference	Objective 19			30
National UTMC survey	Objective 17	20		
Maintain UTMC website	Objective 10	4	4	
Develop business plan	Objective 1		3	
General Meeting	Objective 2		3	
Participation in Joint Chairs Group and related groups	Objective 5	3	3	
Meetings of Management Group	Op task 1		3	
Meetings of Working Groups	Op task 2		4	
Financial management	Op task 3		4	
Total		56	45	32

2.3.3 **NB** The impression given by the Market Testing document, erroneously, was that the resource needs for a business year. This was not the case – the numbers there represented a two-year plan for the lifetime of the DfT contract. We apologise for any confusion caused.

- 2.3.4 The table presented above has had much of the contingency removed. £45k per annum may therefore be taken as the approximate minimum subscriber income that we need to sustain the UDG as an effective entity. The caveats to this are:
- We do not know how much demand there will be on the technical management during the year, so these aspects are inevitably estimates
 - There is a little additional headroom in the DfT contract – which is earmarked for technical developments that arise during the year
 - There is a possibility that the Conference may generate a surplus that can be used to support other activities
 - This assumes a good degree of cooperation with ITS(UK) and other organisations; this may not be achievable, although it equally possible that further efficiencies may be found

2.4 Subscription rates for future years

- 2.4.1 Subscription rates for 2009-10 have been set in order to fulfil the core of the above Business Plan, with the hope of having sufficient members to enable more active management and outreach. The rates have been set with the active participation and approval of the UDG Management Group, after consultation with potential subscribers.
- 2.4.2 Clearly at this stage the number of subscribers is not known. Further, while we can be reasonably confident of the costs of each task, we do not know how this may change in the future, with the changing nature of the UDG and possible changes in the DfT's support.
- 2.4.3 We will, therefore, have an active review of UDG activities and subscription rates during the course of the coming year. If there is a surplus we will discuss with the UDG Management Group how far we should reduce subscription rates for subsequent years.
- 2.4.4 Notwithstanding, it is our intention to keep subscription rates stable in the long term, insofar as is possible, to enable members to budget with confidence and to prevent unpleasant surprises.

3 Benefits of UDG subscription

3.1 Introduction

- 3.1.1 Subscription to the UDG will be at a rate which is comparable to a number of other industry groups. Our tiered subscription rates should enable us to sustain a broad level of membership.
- 3.1.2 We appreciate that, while this amount is very modest in comparison to the investment that is going into systems deployment, a case to spend this does need to be made within each organisation. This section is intended to help make this case.

3.2 Formal benefits

- 3.2.1 The subscription is a contract between the member and UTMC Ltd. The services receivable under this contract are described within a "Subscriber Terms and Benefits" document. A **FINAL DRAFT** document for 2009-10 (UTMCD012-1.0) is provided for information.
- 3.2.2 As a formal document which is not intended to change much, this is fairly generic and focuses on direct services rather than wider implications.

3.3 Collective benefits

- 3.3.1 UTMC has always been a community enterprise and many of its benefits are delivered nationally. Its effects grow as more people use it: off-the shelf products become easier to engineer, cheaper, less risky to acquire, simpler to integrate, etc.
- 3.3.2 Suppliers and users both benefit, and in fact do so symbiotically. If many suppliers adopt UTMC, each user has the benefit of a greater choice of more easily compared equipment. Conversely the more users adopt UTMC, the greater the receptive market for each supplier.
- 3.3.3 In this way, UTMC is like telephones. The business case for investment in the first telephone would have been hard. But the more other people have telephones, the more benefit you get from having one too.
- 3.3.4 Specifically, each local authority is required to manage transport seamlessly with its neighbours, with the trunk road operator, with public transport and other road users. So, you will benefit from an initiative that facilitates the adoption of compatible technologies by your neighbours etc.
- 3.3.5 The magnitude of these benefits depends strongly on local geography and demographics, and to an extent governance structures. In metropolitan areas, the boundaries are many and complex and the opportunities for reducing costs/risks are large. The effect is significant even in London, despite the unifying influence of TfL, because of borough responsibilities for streetworks, car parks etc.

3.3.6 It is true that collective benefits can be accepted passively. You do not need to subscribe to the UDG to have access to the UTMC Technical Specification, or to use UTMC compatible products developed by industry. However, the more people take this view, the less valuable UTMC is to everyone.

3.4 Member benefits

3.4.1 Subscription to the UDG therefore also carries direct benefits to members. Among these is the benefit of UDG events.

3.4.2 The Annual Conference, traditionally held in late November or early December, is a mainstay of the traffic management calendar. Attendance figures have risen steadily from a little over 100 in 1997 to almost 180 in 2007. The first few were free to attend, but more recently an attendance fee has been payable.

3.4.3 It is our intention to grant subscriber members access to the Conference in 2009 and subsequent years at a much reduced rate (possibly even free, depending on the funding available). This provides a major direct benefit to subscription.

3.4.4 A similar benefit may be provided in respect of training events, as well as working groups set up to develop technical enhancements, operational guidelines etc. That is, UDG members will have the right to participate free of charge, while non-members will only be admitted if they are explicitly invited (eg to provide specialist input).

3.4.5 In terms of documents UDG output is of two kinds. Much of course feeds directly into the Technical Specification, and will therefore become freely and openly accessible. However, guidance documents, covering aspects such as good practice in procurement or operating a secure network, are not part of the Technical Specification. There is a possibility of restricting access to the latter documents.

3.4.6 In addition, we will explore the possibility of making draft Specifications available to members for an extended "bedding in" period of, say, six months. This will help ensure that issues with new components are fully reviewed prior to the launch of the Spec update as an open public document.

3.4.7 This is achievable within the current production process. The benefit to members is that it gives exclusive early access to updates. The downside is that the launch of the Tech Spec as an open document is delayed, which may diminish the standing of UTMC with the world at large (especially outside the UK). We will need to have a debate with members about this prior to taking this step.

3.4.8 Finally, the UDG is a network of people, and much value can be obtained from having access to peers, to a range of other authorities/suppliers, or to an impartial central service. In many cases a chat over coffee or a quick telephone call can save a lot of work, and therefore time and money.

3.4.9 The benefits described here cannot be quantified monetarily. However, this year the cost of simply sending two people to the Annual Conference is already almost half of the subscription charge.

3.5 Cost benefit analysis

3.5.1 We can all find things to do with a little bit of money. Spending money on a UDG subscription will need to compete with other claims on your Finance Director's limited resources.

3.5.2 For a public sector organisation, the case to subscribe will be likely to come from one or more of the following sources:

- Project – where a local system implementation project would benefit from direct access to, and engagement with, the UTMC community, or where access to Spec developments would be helpful
- Maintenance – based on the reduced cost of ownership of UTMC equipment
- Regional/cooperative – where there is a budget line to work with neighbouring authorities, or with public transport organisations

3.5.3 For a private sector organisation, the case to subscribe will be likely to come from one or more of the following sources:

- Marketing – obtaining information about requirements, desires, challenges and plans of a broad user base will help direct investment
- Sales – events can provide an opportunity to showcase new products and get new sales leads
- R&D – where the product strategy is to align with UTMC, the development project might benefit from direct access to, and engagement with, the UTMC community
- Technology strategy – access to working groups can help inform the national development with your insights and favoured approaches, and vice versa