Respondent Information Form and Questions

<u>Please Note</u> this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

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3. Permissions - I am responding as…

Individual	/	**Group/Organisation**
☐	*Please tick as appropriate*	✓

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate ☐ Yes ☐ No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis
Please tick ONE of the following boxes

Yes, make my response, name and address all available ☐

or

Yes, make my response available, but not my name and address ☐

or

Yes, make my response and name available, but not my address ☐

(c) The name and address of your organisation *will be* made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your *response* to be made available?

Please tick as appropriate ✓Yes ☐ No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate ✓Yes ☐No

Consultation Questions

The answer boxes will expand as you type.

Procuring rail passenger services

1. What are the merits of offering the ScotRail franchise as a dual focus franchise and what services should be covered by the economic rail element, and what by the social rail element?

> Q1 comments:
>
> The franchise should have the flexibility to respond to the different nature and opportunities presented by the services provided on the ScotRail network. However, two different franchises appears an inefficient response, and also raises questions about how successfully "economic" and "social" can be defined and separated. Currently 'social' is poorly defined in transport policy (and not easily separated from economic welfare) so translating a poorly defined concept into practical delivery seems unlikely. There is therefore little or no merit in a dual focus franchise.
>
> Other disadvantages are the possible additional cost of 'social' rail services, dis-aggregation of resources, loss of inter-working of rolling stock / crews, and network utilisation likely to be sub-optimal.

2. What should be the length of the contract for future franchises, and what factors lead you to this view?

> Q2 comments:
>
> The period between 2014 – 2017 will see much disruption to the central Scottish rail network as EGIP will be being built – and therefore the Government may need to pay a higher subsidy to support the services during this period / but all disruption will be contained within one franchise term. A short term franchise also covers the period of potential constitutional change, changes arising from McNulty, match the next control period, and implementation of DDA.
>
> However, a longer term franchise provides an opportunity for the Government to seek to minimise cost to the taxpayer for the period of disruption as the franchisee would also then benefit from the 'revised' network and revenue opportunities in the latter stages. Longer franchises also encourage other investment by the franchisee.

3. What risk support mechanism should be reflected within the franchise?

> Q3 comments:
>
> Transport Scotland needs to reflect on the wider experience of recent rail franchises in the UK and apply best practice. It is unnecessarily costly for the taxpayer to hold a franchisee responsible for matters which the franchisee

cannot influence. Poor value risk transfer relates to issues such as the state of the economy or the level of employment, either of which can result in substantial changes in passenger usage.

4. What, if any, profit share mechanism should apply within the franchise?

Q4 comments:

Transport Scotland needs to reflect on the wider experience of recent rail franchises in the UK and apply best practice. However, a profit share mechanism may incentivise a culture of innovation, best practice from both franchisee and client group. Also, if there is a mechanism to protect the franchisee from risk (see previous question), it would be reasonable for Transport Scotland to seek to benefit from an economic upturn.

5. Under what terms should third parties be involved in the operation of passenger rail services?

Q5 comments:
This is an opportunity to get more 'local' control of local and regional issues affecting the rail network. However, it is difficult to envisage how this might be achieved, what Third Parties would be able to fund the necessary service enhancements / facilities, and whether that any new approach would be better than existing processes.

6. What is the best way to structure and incentivise the achievement of outcome measures whilst ensuring value for money?

Q6 comments:

Transport Scotland needs to reflect on the wider experience of recent rail franchises in the UK and apply best practice as appropriate to the Scottish context.

7. What level of performance bond and/or parent company guarantees are appropriate?

Q7 comments:

Transport Scotland needs to reflect on the wider experience of recent rail franchises in the UK and apply best practice.

8. What sanctions should be used to ensure the franchisee fulfils its franchise commitments?

Q8 comments:

Transport Scotland needs to reflect on the wider experience of recent rail franchises in the UK and apply best practice.

Achieving reliability, performance and service quality

9. Under the franchise, should we incentivise good performance or only penalise poor performance?

Q9 comments:
Both approaches are appropriate for the forthcoming franchise, and this represents the best way to achieve positive changes and progressive partnership culture.

10. Should the performance regime be aligned with actual routes or service groups, or should there be one system for the whole of Scotland?

Q10 comments:
A one-size fits all approach will probably not reflect local and regional priorities and requirements, albeit within a national framework. The realities of operating the Strathclyde suburban network is very different from that of services such as Glasgow/Edinburgh-Aberdeen, and again from (say) the Far North line.

11. How can we make the performance regime more aligned with passenger issues?

Q11 comments:

Firstly, gain a good understanding of what passengers issues are across Scotland. Secondly, develop a small number of focussed KPIs that respond to these issues, balancing these with KPIs which reflect other operational issues. New passenger interfaces and technologies (Smart Phone Apps) can be used to better understand customer priorities at point of delivery.

One particularly opportunity which CILT are aware of is the need to better manage interchange at places like Inverness, Aberdeen and Perth – holding connections particularly for lower frequency services.

12. What should the balance be between journey times and performance?

Q12 comments:
Both are important, but the Rail Industry should be focused to work collectively to manage this. There is a growing focus on cancelling trains to minimise delays, with little consideration for needs of the passenger. On the other hand, in the case of substantial disruption, this can be the quickest and most effective means of restoring services to what they should be. For many passengers, reliability is more important than journey times.

13. Is a Service Quality Incentive Regime required? And if so should it cover all aspects of stations and service delivery, or just those being managed through the franchise?

Q13 comments:
A targeted, yet flexible procedure would appear to be necessary to ensure

acceptable standards of customer care and experience.

14. What other mechanisms could be used for assessing train and station quality?

Q14 comments:

New technologies capturing crowd sourced data can be used to better interface and profile the requirements and needs and experiences of passengers using the network.

Scottish train services

15. Can better use be made of existing train capacity, such as increasing the permitted standing time beyond the limit of 10 minutes or increasing the capacity limit? What is an acceptable limit for standing times on rail services?

Q15 comments:

This depends on the type of service, the type of passenger, the type of rolling stock, and passenger expectations. Compare the experience of some commuters on the London Underground, with those on the 156s between Giffnock and Glasgow Central, standing between Hyndland and Glasgow Central, and having to stand between Edinburgh Waverley and Cupar.

More innovative approaches, over and above changing the standing time limits, could include more effective ticket price incentives to encourage travel in the shoulder periods.

16. Should the number of services making use of interchange stations (both rail to rail and rail to other modes) be increased to reduce the number of direct services? What would be the opportunities and challenges of this?

Q16 comments:
Interchange is a critical part of the journey experience and cannot simply be separated from other factors affecting the journey experience. Getting the balance right between interchange, frequency, comfort, journey time and reliability needs good transport planning. Interchange provides the opportunity to deliver service improvement – journey time / numbers of seats - without the significant expenditure on enhancing the network – i.e. getting more out of the existing network and resources. However, it is an operator based response.

The challenge is to provide the inter-change experience such that passengers are not deterred from using the rail network. Having to change trains is widely recognised as a significant barrier for some, a major inconvenience, and also "risk factor" for passengers

Without consideration of specific examples, it may be difficult to comment on the balance between network benefits and potential passenger dis-benefits. Passengers, especially those with little or no luggage, are much more willing

to change trains when services are frequent, and the risk of problems is so much less.

17. Should Government direct aspects of service provision such as frequency and journey time, or would these be better determined by the franchisee based on customer demand?

Q17 comments:
This may provide the opportunity for the government to specify the 'base' / minimum level of service, and for an Operator to take the risk on enhancing this base.

There may be the opportunity for Government to specify the level of service on the 'trunk' routes across Scotland, but then devolve the specification (and funding?) for the local services to 'local' councils or RTPs. If though the service crosses one or more local authority boundaries, great care needs to be taken not to destroy the cohesion of the overall service provision.

18. What level of contract specification should we use the for the next ScotRail franchise?

Q18 comments:

Minimum and Full Specification would appear to be inappropriate response to the requirements of Scotland.

Targeted Specification would appear to offer the opportunity to reflect on the diversity of route characteristics that exist across Scotland.

The higher the level of specification, the higher also the costs of monitoring the performance, and the less opportunity for the franchisee to make commercial judgements. With longer franchises, conditions will change over time, and what seems an appropriate specification for 2014 may seem less so ten years later. Situations of that nature require a suitable change mechanism.

19. How should the contract incentivise the franchisee to be innovative in the provision of services?

Q19 comments:

Transport Scotland needs to reflect on the wider experience of recent rail franchises in the UK and apply best practice. We would anticipate that this would form part of the 'scoring' mechanism to determine the 'best' franchisee. There should be encouragement for the franchisee to innovate in respect of rolling-stock, fares and integration.

Scottish rail fares

20. What should be the rationale for, and purpose of, our fares policy?

Q20 comments:

The role for government is to ensure that market failures do not emerge in the way that franchisees determine fares. Three main areas require a fares policy, which will require to be balanced:

- Simple to use, logical structure and fair to all users;
- Balances revenue return for service delivery with patronage
- Is used intelligently to make most efficient use of network infrastructure.

Clearly, in setting fares policy, it is essential that both the Government and the franchise need to understand where the financial risk sits for the economic ups and downs. The opportunity to end the present situation where it can be cheaper to re-book en route should be considered.

21. What fares should be regulated by government and what should be set on a commercial basis? Do your recommendations change by geographic area (the Strathclyde area example), or by type of journey (for example suburban or intercity)?

Q21 comments:

Minimum specification of fares is better to offer franchisees the potential for managing demand most effectively. Once Transport Scotland has defined more clearly how it sees the social and economic benefits for the railway for people and businesses, then the criteria for the fares will be defined.

The current split between regulated and unregulated fares responds to need for modal shift for regular travellers, and accessibility across the network during off peak. There appears to be difference in approach between the Strathclyde network and the Edinburgh network, for which it is difficult to see the logic.

The inconsistency in fares regulation between Strathclyde and the rest of Scotland is at its most conspicuous in the lack of an evening peak restriction on cheap day returns, which between 1645 and 1815 on the E&G are therefore valid out of Queen Street only as far as Croy. For equity and ease of understanding there should surely be consistency at least across the Central Belt.

22. How should we achieve a balance between the taxpayer subsidy and passenger revenue contributions in funding the Scottish rail network? At what rate should fares be increased, and how feasible would it be to apply higher increases to Sections of the network which have recently been enhanced?

Q22 comments:

The provision of a premium service can justify a differential fares approach, provide that the safeguard of a "standard" service also exists. Such a scenario may exist with the express Edinburgh Glasgow service via Falkirk, and the service via Airdrie/Bathgate.

Decisions on the rates of fares increases etc need to be informed by economic modelling of the impact of these fares increases, balancing willingness to pay, income, and patronage impacts. An annual rate of increase matching that of the RPI would be a realistic starting point.

23. What should the difference be between peak and off-peak fares? Will this help encourage people to switch to travelling in the off-peak?

Q23 comments:
It is important to ensure that any government involvement in fares policy is driven by a clear policy requirement. There are a range of established mechanisms for encouraging off peak travel as opposed to peak travel. Other than fares policy, this can include specific promotions, and incentives for employers enabling flexible working hours. The opportunity for pre-peak reductions for jobseekers could be considered. Recent research work has considered reductions in the pre-peak period.

If the difference between peak and off peak fares is substantial, this creates mini-peaks. Thus the 09:15 peak train may be relatively empty and the 09:30 off-peak train overcrowded.

Scottish stations

24. How should we determine what rail stations are required and where, including whether a station should be closed?

Q24 comments:

The current de facto approach appears to be based on a "no change, never" dogma, despite there being evidence that some stations are not currently fulfilling their potential. Transport planning authorities have a lot of work to do to gain real community ownership and support for local transport changes before any potential improvements would have any realistic chance of stable debate. This is a general problem facing transport and current community engagement initiatives like smarter choices are only scratching the surface.

Once the community support issues have been addressed then decisions on where stations should be could be based on a balanced assessment of cost and benefit within the multi-criteria framework provided by STAG which includes community support as a key criterion. Decisions need to be taken in the context of current and possible service patterns, as well as network impacts.

Cost effectiveness / local accountability / other benefits can achieved as a result of closure (better services at alternative stations / journey time improvements). The practice of operators maintaining "Ghost Stations" should be addressed, perhaps either by closure, or increasing service levels (such as at Broughty Ferry).

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25. What are the merits or issues that arise from a third party (such as a local authority or local business) being able to propose, promote and fund a station or service?

Q25 comments:

Greater decentralisation of decision making is needed BUT transport planning legislation needs to change to make this work. Local authorities and RTPs could clearly identify how local needs can be met and (as with land use planning) some statutory approval of these policies would be needed. Until there is some clear framework like this where rail authorities can resolve differences with local authorities the local authorities plans should only have limited impact on the national plans. It should be recognised that the balances between overall network integrity and performance, vs local accessibility are complex and require a serious planning process. Decisions depend on network capacity, changes in levels of patronage, and proposed service patterns.

There are always those who wish to see additional stations, or additional stops at existing stations, but this causes longer overall running times (deceleration, stop time, acceleration). This can work to the dissatisfaction of passengers making longer journeys, and it may occasionally result in the use of more resources (additional train and staff) to run the service. These factors

also need to be taken into account.

26. Should only one organisation be responsible for the management and maintenance of stations? If this was the franchisee how should that responsibility be structured in terms of leasing, investment, and issues relating to residual capital value?

Q26 comments:

The franchise should be designed so that opportunities for local improvements to stations, possibility funded locally or regionally, should be more easily achieved.

27. How can local communities be encouraged to support their local station?

Q27 comments:

In this context, does support mean "use" or "maintain". The existing "adopt a station" scheme provides a good practice benchmark for local community involvement.

28. What categories of station should be designated and what facilities should be available at each category of station?

Q28 comments:

The categories of station outlined in the consultation report appear to be sensible, and reflect existing practice in the categorisation of stations. For each category, a base specification should be set, and measured.

Cross-border services

29. Should cross-border services continue to go north of Edinburgh? In operating alongside ScotRail services, how do cross-border services benefit passengers and taxpayers? And who should specify these services, the Department of Transport or the Scottish Ministers?

Q29 comments:

In terms of passenger demand and experience, cross-border services should continue to go north of Edinburgh, honouring the outcome of previous DfT consultation on the issue. They provide a valued and well-used connection from stations north of Edinburgh to and beyond the Border, and a sustainable alternative to air travel. Losing the direct nature of these connections will significantly reduce their attractiveness, lessening the economic benefit of these cross-border linkages.

It is noted that DfT specified services can create 'gaps' in services internal' to Scotland (e.g. 17:43 Edinburgh – Glasgow via Motherwell in May 2011). Perhaps there is a need, through the franchise agreement, to force Operators to agree the 'balance of services' / and contractualise them.

What happens when an Anglo-Scottish operator chooses to terminate 'short of destination'? What power does the Scottish Government to penalise this?

One suggestion is for Transport Scotland to approach the DfT to seek the inclusion of the Inverness, Aberdeen, and Dundee Anglo-Scottish daytime services within the ScotRail services. This may address many existing operational issues. However, from a passengers' perspective, it is noted that the current East Coast and Cross-Country service do provide passengers with a choice of train operator on these routes, including fares, and service offer.

30. Or should the cross-border services terminate at Edinburgh Waverley, allowing opportunities for Scottish connections? And if so, what additional benefits would accrue from having an Edinburgh Hub?

Q30 comments:

Cross Border services should continue beyond Edinburgh Waverley. It is hard to identify any opportunities that may arise from this situation, only loss of patronage and passenger convenience. Likewise, there would be no benefits from such a situation, given the present level of use of these key services beyond Edinburgh.

Rolling stock

31. What alternative strategies or mechanisms could be used to reduce the cost of the provision of rolling stock?

Q31 comments:

This question targets rolling stock procurement best practice, which Transport Scotland should be able to determine. Purchase of standard trains as used by others, rather than bespoke to individual requirements, is likely to be a cheaper option.

32. What facilities should be present on a train and to what extent should these facilities vary according to the route served?

Q32 comments:

Functioning and clean toilets on all routes. It is however recognised that toilets take up capacity which can otherwise be used for seating, and that the case for toilet provision is much weaker on short distance services.

Access for those with mobility impairments.

Long distance inter-city routes should continue to offer opportunities for effective and efficient working (Wifi, power sockets) and catering.

Passengers – information, security and services

33. How should we prioritise investment for mobile phone provision and / or Wi-Fi type high-bandwidth services?

Q33 comments:
Offering mobile phone companies suitable facilities on trains will be the fastest way to capture investment on trains as Virgin has done to increase both mobile and data coverage. It should be assumed that all services should be connected within the term of the next franchise (just as bus companies expect to connect all of their vehicles in the same period.

34. How should we balance the need for additional seating capacity and retain the flexibility of a franchisee to offer first-class services if commercially viable?

Q34 comments:
This forms part of the revenue versus subsidy debate.

What are the issues with no first class? Would business travellers consider using the train if there was no 'premium' service available – to give space / time / service that would attract these travellers from cars? A key benefit of the first class offer is the provision of a "virtual office" environment on the longer distance (2+ hours) inter-city routes in Scotland.

A First Class ticket does purchase more space; as a rule of thumb about 50% more space than Standard Class in both seat pitch and seat width taken together. If the principal problem is lack of capacity, replacing First Class seats with Standard is one option. If though there are those able and willing to pay a higher fare for additional facilities, the provision of First Class is a marketing benefit.

35. What issues and evidence should be considered prior to determining whether or not to ban the consumption of alcohol on trains?

Q35 comments:
This forms part of the wider alcohol in Scotland debate.
How would this be policed? And what would the cost be? This would presumably include purchases from on-train catering outlets, perhaps in conjunction with a meal, and not merely drink already in a passenger's possession on boarding the train.

36. How can the provision of travel information for passengers be further improved?

Q36 comments:

Wifi in trains.

Caledonian Sleeper

37. Should we continue to specify sleeper services, or should this be a purely commercial matter for a train operating company?

Q37 comments:

If a purely commercial decision for a TOC, then the sleeper service would undoubtedly cease. The question for government, and that perhaps should include Westminster, is whether or not the wider economic and social benefits of the overnight services to and from London justify current subsidy levels. Could the subsidy levels can be reduced with a more targeted service offer?

38. Should the Caledonian Sleeper services be contracted for separately from the main ScotRail franchise? Or should it be an option for within the main ScotRail franchise?

Q38 comments:

The Sleeper services is sufficiently unique and separate from the daytime services to enable market testing to be undertaken regarding a separate franchise arrangement. It is understood that what is now Caledonian Sleepers was originally to be part of the West Coast franchise, but it was felt that they might not receive sufficient management attention. Hence they became part of ScotRail instead, which meant that the company had to establish its own servicing arrangements at the London end.

39. We would be interested in your views in the level and type of service that the Caledonian Sleeper Services should provide. Including:

- What is the appeal of the Caledonian Sleeper Service, and if there were more early and late trains would the appeal of the sleeper services change?

- What is the value of sleeper services to Fort William, Inverness and Aberdeen and are these the correct destinations, for example would Oban provide better connectivity?

- What facilities should the sleeper services provide and would you pay more for better facilities?

Q39 comments:
Our understanding is that £100m would only fund 10 -12 new vehicles (current fleet is 50+ vehicles). The funding might be sufficient to provide new lounge-cars or seated coaches, but these would be 23m, compared to the current 20m Mark II vehicles used now.

A revised service specification can be developed to meet identifiable needs – this may include varying the level of service by season. The service specification needs to be cost effective and value for money.

Environmental issues

40. What environmental key performance indicators should we consider for inclusion in the franchise agreement or the High Level Output Specification?

Q40 comments:

Improved carbon emissions performance.

NOX and PM10s reductions where rail termini / depots correspond with AQMAs.