

1 Respondent Information Form and Questions

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

1. Name/Organisation

Organisation Name

City of Edinburgh Council

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3. Permissions - I am responding as...

Individual

☐

/ Group/Organisation

Please tick as

☒

- (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

**Rail 2014 - Public Consultation
City of Edinburgh Council Officer response**

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: We are not convinced that the benefits suggested in the document are real. Neither is it clear how such a system would manage the interface between economic and social; for example when a route changes from one category to the other.

Nevertheless, if it is decided to proceed, the 'economic' element would be those routes which make a profit, 'social' being all others.

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

Q2 comments: We do not share the document's scepticism regarding long franchises. It suggests benefits from giving the operator greater freedom to innovate, but is averse to awarding a long franchise which would maximise the opportunity to do so. The document claims there is no conclusive evidence that longer contracts increase operator investment. The evidence of the single long-term contract (Chiltern) clearly does just that. Furthermore, the franchising process itself is very costly for bidders and Transport Scotland

However, it may be that in Scotland we have managed the conflicts between investment-long term-frequent market testing better, illustrated by the successful development of Scotland's railways since devolution.

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

Q3 comments: Responsibility for fares should rest with the operator. The operator must have an incentive to ensure that revenue is collected and grows. The current cap and collar (profit sharing/revenue support) helps avoid risk being transferred back in franchise bids. However, it creates a perverse incentive for operators not to grow revenue, once they are receiving subsidy.

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

Q4 comments: See above.

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

Q5 comments: As set out in para 3.20, additional 'external' funds are welcome, provided they are not a substitute for existing sources. However, it appears there is limited scope for third party revenue funding except as seedcorn, as the third party's interest often will not coincide with what is operationally feasible.

Third party contributions to capital spend may be more productive although similar constraints may apply (e.g. a developer's desire to site a station may not suit network requirements).

The reality of constrained local authority (and RTP) funding means that they cannot contribute significant funds to the railway.

Transport Scotland should fund the cost of concessions for blind/partially sighted people directly.

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

Q6 comments:

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

Q7 comments: It is difficult to comment without examples. We know details of only one performance bond, for the Inter City East Coast franchise which was not comparable to ScotRail. We suspect that if performance bonds were generally set too low, there would have been more defaults than to date.

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

Q8 comments: Financial, linked to SQUIRE

Achieving reliability, performance and service quality

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

Q9 comments: Both

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: At the very least service groups as at present. Ideally actual individual routes, as these are more relevant to passengers; but depending on the cost of doing so.

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

Q11 comments: Firstly we note that performance across the UK network slipped in 2011, which needs to be rectified. Specifically, the ORR has noted the decline in ScotRail performance.

There is a case for a +/- 3 minutes regime in place of, or as well as, the current +/- 5 minutes. It is not appropriate to define lateness in terms of right time/timetable time, as minimal delays (certainly 30 seconds, possibly up to 2 minutes) are hardly relevant to the passenger.

We support the extension of performance recording to intermediate stations.

It is not clear why the Sleeper service has a 30 minute regime. We suggest it should be 10 minutes, in line with long-distance services.

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

Q12 comments: We strongly oppose making timetable adjustments increasing journey times to increase flexibility. There is already padding and recovery time in the system. Furthermore, inserting additional time would facilitate a less disciplined approach to punctuality, and quite possibly make performance worse rather than better.

Increased journey times conflicts with the Scottish Government's strategic objectives

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: SQUIRE appears to be well-regarded across the UK. It would be strange to abandon a regime which is widely regarded as good practice.

It would need to be extended if the franchisee were to take over more responsibility for stations etc, as set out in reply to Q26

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

Q14 comments:

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: We strongly oppose any reduction in current standards. Network Rail's RUS quotes research showing how important getting a seat is for passengers. Furthermore, the rail industry has consistently told passengers for years that fare increases are needed to pay for service improvements. It cannot now retract that argument and make services worse.

A general objective of a new franchise should be to improve services, not make them worse.

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: We would need to see evidence. The ScotRail network needs greater definition between fast and non-fast services; for example the Edinburgh-Aberdeen services stopping at small stations north, but not south, of Dundee.

However, it is clear that passengers like through services.

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: Given the Scottish Government's considerable investment in infrastructure, it should require franchise bidders to use it to maximum effect (eg 6tph on the E&G).

If the targeted approach is adopted, it must reflect the Government's strategic objectives e.g. faster journey times.

It is not clear how a performance regime can work if the franchisee is not set some clear specifications.

We do not support minimum specification. We can see advantages to both targeted and full specification.

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

Q18 comments:

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

Q19 comments:

Scottish rail fares

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

Q20 comments: To increase use and safeguard revenue

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: There is no justification for regulating all fares in Strathclyde but not elsewhere.

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: We reluctantly accept that the RPI+1% formula could persist. We would oppose a RPI+3% formula, especially as it has now been abandoned south of the Border.

With regard to higher increases where improvements have been made; it is difficult to distinguish direct and indirect improvements. For example, should all passengers on a route pay more if one station is improved, even if they do not use it?

The franchise will need to reflect the Government's wider objectives, notably under the Climate Change Act, which leads to increasing travel by rail.

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: The September 2008 ticket simplification appears not to delivered greater clarity for passengers. If an aim is to simplify fares, there is a limit to how many variations there can be.

Any further differentiation of peak and off-peak fares should be achieved by reducing the latter, not by increasing peak fares.

Neither should fares (rises) be used as a mechanism for reducing crowding.

Scottish stations

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

Q24 comments: Transport Scotland could be bolder about closing stations that have minimal use. The criteria should be based on existing and potential use, although accepting lower usage where appropriate (e.g. stations on rural routes).

The Council considers that opportunities to reopen and serve passenger stations on the Edinburgh South Suburban Railway should be explored within the timescale of any outcomes emerging after this consultation; taking into account growth in passenger numbers from existing and future plans, and the need to provide connections for the significant number of additional passengers using Waverley and Haymarket stations.

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: See reply to Q5

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: On balance, yes; probably the franchisee. However, there needs to be mechanism to address residual value to incentivise good caretaking.

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

Q27 comments: A more positive approach to the Community Rail Line philosophy would be useful. CRLs have expanded and apparently been very successful in England, but key decision-makers in Scotland have appeared somewhat uninterested; we are not sure why this is the case.

Whether or not a formal CRL designation is appropriate anywhere in Scotland, the principles behind it could be applied, perhaps on some rural routes.

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

Q28 comments: We are not clear why the document suggests a system that is different from Network Rail's standard. In the absence of a case to the contrary, we would argue for retaining NR's standard.

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: There is a case for Scottish Ministers having a role in specifying cross-border services, but this would require legislation at Westminster, and is therefore somewhat academic. See below.

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: We are not convinced of the arguments set out in the document. Currently not many day-time services run north of Edinburgh, in any case. Some of the Scottish Government/Transport Scotland's own documents record the importance of the Aberdeen-Newcastle corridor.

Furthermore, the projected 95%-115% passenger growth in the Edinburgh area (Scotland 2nd Generation RUS) suggests that the capacity demands imposed by greater interchange would become problematic.

Rolling stock

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

Q31 comments: We are not convinced by some of statements made in the document. For example, we understand that derogations to continue operating non-accessibility compliant vehicles are not a matter for the European Commission, but for the relevant authorities in the UK. Assuming that the figure of 96 DMUs being withdrawn dates by 2020 refers to Classes 156 and 158, we suggest that the 158s at least appear to have a much longer prospective life.

The Competition Commission conclusion that the Rolling Stock companies are not unreasonably exploiting the market suggests that current high costs arise primarily at the point of manufacture.

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

Q32 comments: We believe the distinction is primarily between long and short distance services. Beyond that, the multiplicity of passenger journey types is such that each unit needs to cater for a wide variety of needs.

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: Continuous mobile phone and Wi-Fi coverage is a high priority.

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: It would be useful to have data on this. However, we observe that first class seating currently comprises a relatively small proportion of ScotRail's rolling stock. We are not sure, therefore, how much space there is to save. We certainly would not support moving towards a second-class only railway; given the high revenue yield from first class sales. It is also reasonable for those who wish to and can pay more for a higher level of service, to do so

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 is a complex issue, and probably driven largely by the Government's wider policies on alcohol in Scottish society. Drunk passengers undoubtedly spoil some passengers' journeys, but on long-distance trips responsible passengers should be at liberty to enjoy a drink. It begs the question what other potentially anti-social behaviours should be banned.

The enforceability of a ban must be assessed; including the impact on staff safety. It is possible to board a train already intoxicated. The future role of conductors/guards should be reviewed as technical development allows a greater focus on revenue protection and customer service. 'Alcohol-permitted' coaches should be considered, at least on a trial basis.

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

Q36 comments:

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: see below

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 service may well be such a niche operation that a separate, focussed franchise may be warranted. We suggest that some kind of market testing could be considered before reaching a final conclusion.

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: We comment only on the Lowland Sleeper. Our answer to Question 38 invites the identification of the appeal of the Sleeper, whether there should be more early/late trains, and desirable facilities.

If and when day-time journey times reduce, the Sleeper will lose market share unless it adapts; although that is still some time ahead (e.g. HS2 opening in 2026). The choice may be either a steady-state operation until then, or substantial investment with a commitment to a long-term, adapting future.

Passengers might be prepared to pay more on for better facilities on the sleeper, but crucially it depends on how much and for what.

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:

CEC response; additional comments

Scottish stations

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

Q24 comments:

Previous comment:

The Council considers that opportunities to reopen and serve passenger stations on the Edinburgh South Suburban Railway should be explored within the timescale of any outcomes emerging after this consultation; taking into account growth in passenger numbers from existing and future plans, and the need to provide connections for the significant number of additional passengers using Waverley and Haymarket stations.

Additional comment:

This includes a station on the sidings being installed on the former Abbeyhill loop. In this case earlier assessment would allow for synergies with EGIP.

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?

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?

Q29 and 30 comments:

Previous comment:

We are not convinced of the arguments set out in the document. Currently not many day-time services run north of Edinburgh, in any case. Some of the Scottish Government/Transport Scotland's own documents record the importance of the Aberdeen-Newcastle corridor.

Furthermore, the projected 95%-115% passenger growth in the Edinburgh area (Scotland 2nd Generation RUS) suggests that the capacity demands imposed by greater interchange would become problematic.

Additional comment:

All substantial or long-term investments in the franchise or infrastructure should take account of the future introduction of HS2 services in Scotland. Specifically, this means that no actions should be taken which would inhibit

or compromise the introduction of HS2 services.

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:

Additional comment:

In the next franchise, key environmental performance indicators should include KPIs for carbon reduction requirements complying with the Climate Change (Scotland) Act 2009, reduction of waste through reduce, reuse and recycle initiatives.

Waste reduction initiatives should also be developed for improving and maintaining infrastructure.