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### 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 economic element should be incentivised to obtain as much commercial traffic as feasible since that has the added benefit of getting lorries off the highways and improving the carbon footprint. This should help keep down the cost of providing service for individuals and also help to subsidise the social rail element, presumably the non cost effective routes which provide a lifeline to people.

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

Q2 comments: Agree that short term contracts help; maybe rolling one or two year contracts with a one year "tail" from non renewal.

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

Q3 comments: This and the other related questions could be handled by moving to a management fee based model where the fee is a function of meeting targets and there is a profit sharing mechanism which provides added protection/incentives

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

Q4 comments: perhaps asymmetric basis where government shares evenly on the losses but gives away a greater percentage on the profit?

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

Q5 comments:

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: Do not believe this is really an issue. Would be difficult to see removing this unless the operator was of sufficient credit quality (say BBB) to absorb a significant loss itself. Keeping the franchise periods short will also reduce the cost of the performance bond.

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

Q8 comments: Aside from the financial penalties there should be a bar from re-bidding for a period of time.

### **Achieving reliability, performance and service quality**

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

Q9 comments: Definitely 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: Given the diversity of the service requirements, should be aligned with the actual routes

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

Q11 comments: A wholistic view of a variety of factors, ie not just punctuality, but other measures (eg. number and nature of complaints)

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

Q12 comments:

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: all aspects they can actually controll

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

Q14 comments: Squire should benchmark against operators outside the UK: France, Germany etc.

### **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: acceptable limit is one hour

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: Provided enough time is allowed for for the interchange to occur, particularly with respect to rural routes, more connecting services might provide greater frequency and more route optionality

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: very hard to determine customer demand, as it changes in relation to cost, general economic factors, and activities to encourage more people to use the service. Better to be directed by Government with an optimistic view of the potential. Again easier to deal with if the franchises are relatively short

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

Q18 comments: Targetted specification

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: Agree that simplicity is best. Do not believe it is rational to run the system off passenger revenue, given the benefits provided for people using the system

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: Commuters should be subsidised, others not. More creative fares should be encouraged: eg groups travelling together, discount on buying multiple journeys up-front (which is the basis of the Oyster card on the London underground)

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: . Should encourage commercial movement of good to grow by making best use of the infrastructure, so that overall government support is kept to an acceptable level

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: Better connectivity between the stations and the ultimate destinations, eg bus services meeting trains to connect to shopping or sporting venues

## **Scottish stations**

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

Q24 comments: Believe the current network is the minimum. Should encourage more

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: Again, this should be strongly encouraged provided that funding is not just one-off but includes provision for maintaining and indeed closing/decommissioning if necessary in the future

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: Difficult to see one organisation doing the job efficiently across the whole country.

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

Q27 comments: Flower planting competitions/ educational tours and outings/ "adapt a station" for local businesses, encourage steam engine enthusiasts to make more use of the remote, less used stations

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

Q28 comments:

## **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: Need to retain flexibility; this encourages tourism

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:

## **Rolling stock**

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

Q31 comments:

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

Q32 comments:

## **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:

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:

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

Q35 comments:

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: This is an iconic part of the Scottish rail experience. It needs to be retained at all costs

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: It depends on the risk associated with providing it. If it forms a part of the “social” services and is effectively subsidised (which it should be), it may not make a difference.

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: More early and late trains would not remove the need. As mentioned above this is more than just a train service. Also, the opportunity to leave London late in the evening, effectively after the last flight, and to arrive in time for a full day the next morning is a unique service opportunity. Would be worth getting more people to know about use the service by being able to compete cost effectively with cheap flights. Additional facilities should include a shower. Definitely need to be able to retain Inverness, Aberdeen and FT William, might also add Oban. Could also look at combining with a flight provider so that one could train up or down on the sleeper and buy a return flight on the day of arrival where the total package could be price competitive.

### **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: