

Rail 2014
Transport Scotland
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Please ask for: Sam MacNaughton
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Your Ref:
Our Ref:
Date: 20 February 2012

Dear Sirs,

RAIL 2014 – PUBLIC CONSULTATION

The Highland Council's TEC Services committee considered the Rail Consultation document "RAIL 2014 – PUBLIC CONSULTATION" at their meeting on 19 January 2012 and have asked me to respond.

Before answering your formal Consultation Questions they have asked me to highlight to you the following key and critical issues for sustainable rail transport in the Highlands, many of which are critical for the Highland economy.

1. **HIGHLAND MAIN LINE** - Connections from Inverness to the Central Belt: Investment is required on Perth – Inverness, Perth - Edinburgh and Perth – Glasgow. There should also be upgrades to the Inverness to Aberdeen route ensuring good and efficient train links between Scottish cities. On these railways links improvements in journey time and frequency are required and also quality upgrades to rolling stock to improve comfort and level of facilities. A target journey time of 2hrs 45min from Inverness to Edinburgh should be the objective. For this line upgrades to improve speeds of trains through Fife are required along with strategic stopping for Express trains to improve journey time. For the Inverness to Aberdeen line a target time of 2hrs and an hourly frequency should be the objective. The Council fully supports the upgrades programmed for this route in the STPR 2014-2019
2. **CROSS-BORDER SERVICE** - Cross border services between Inverness and London as currently provided by the East Coast Trains need continued investment and these trains need refreshed with new rolling stock to maintain a high quality of journey commensurate with this long distance route. This should not involve interchange between services on the journey from Inverness to London as this would act as a disincentive to travel.

3. **SLEEPERS** - The Caledonian Sleeper should be retained and improved with new rolling stock to improve the overnight experience on these long distance trains. Sleeper trains to Fort William, Inverness and Aberdeen should be retained. This should be pursued through a separate franchise to the rest of the Scottish rail services. There is a need to protect and improve the sleeper service. The efficiency of the booking service is variable and it is currently not fully promoted and marketed.
4. **ROLLING STOCK** – The quality of rolling stock needs to be maintained or improved through a progressive programme of procurement. There needs to be continual investment in rolling stock with upgrades taking account of new technology providing better communications and information systems and the provision of tourist friendly trains on the rural routes. Members asked that consideration be given to tilting trains when ordering upgrades to rolling stock. All providing a more attractive service with greater usage. By improving quality/ comfort and frequency patronage and revenue will increase.
5. **FARES** - Fares should be rationalised to provide an incentive to encourage off-peak travel and to improve the load factor for all trains including rural services. The current structure of peak and off-peak fares is designed for commuter routes and should be adapted to better suit the characteristics of the Highland services.

The concessionary travel scheme for blind people and also their companions should be included Scotland wide as a condition of franchise.
6. **RURAL LINES** - Trains on rural routes on the North Highland Line and the West Highland line should be upgraded with new rolling stock with adequate provision for cycles and luggage. This along with improved marketing will assist the local economy, tourism and development as well as encourage greater use and provide increased revenue to the franchise budget. The successful Moray Firth Invernet service should be expanded and linked to the Planning Authority's Highland Wide Development Plan for future Land Use strategies, and should be expanded to enhance local train services between Inverness and Elgin. Bespoke seasonal franchises should be explored to support tourism.
7. **FREIGHT** - There should be continued investment in freight terminals to take HGVs off the road network and reduce the carbon footprint for bulk goods travel. Innovations such as the Tesco Freight train and timber bulk rail freight movement should be developed along with opportunities that may arise from the renewables industry. The Government needs to reinstate the Freight Facilities Grant to its former level to allow freight terminals such as that proposed for Corpach to be delivered. Much good work has been done under the FFG system removing HGVs

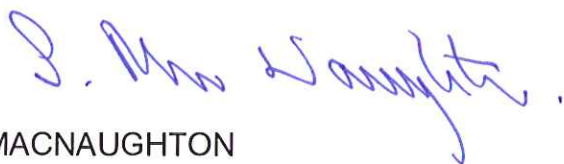
from the road network. Consideration should be given to longer and more economic freight trains and longer passing loops.

8. **MODAL INTERCHANGE** - There should be improved linkages with buses, ferries, air services as well as cycle and walking facilities to improve modal interchange at all railway stations. Communications across all modes should be improved along with better interchange facilities to encourage and improve the total journey experience and create modal shift from private car to public transport.

In addition to the above I attach to the letter the Council's response to the Consultation Questions detailed in your document.

I trust you will take account of these comments when determining the franchise for future train services and your rail investment programme beyond 2014.

Yours sincerely



SAM MACNAUGHTON
Head of Transport and Infrastructure
TEC Services

HIGHLAND COUNCIL RESPONSE TO *“RAIL 2014 – PUBLIC CONSULTATION”*

Consultation Questions

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

HIGHLAND COUNCIL

Title Mr ☒ Ms ☐ Mrs ☐ Miss ☐ Dr ☐ Please tick as appropriate

Surname

MacNaughton

Forename

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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

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: Rail services by their nature as essential transport links to and within the Highlands are part of the economic wellbeing of the Highland area. They are an economic lifeline for many Highland communities. The franchise would therefore fall into the social rail objectives covering economic and social stability and the ongoing sustainability of Highland communities. We are not confident that services on any Highland routes would be improved by a franchisee on a purely economic basis and are therefore concerned that classification of the Highland Main Line and Inverness – Aberdeen line as “economic railways” would not ensure an adequate level of service provision, although we would support greater freedom for the franchisee to develop services beyond the specified level if they wished to do so.

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

Q2 comments: The franchise should be for 10 years but with a break point at 5 years where a review of contract requirements and deliverability of service can be undertaken. This will allow an operator to plan and invest over a longer term and get a return for investment. For example the benefits of marketing rail services and improvements to train services will only get a return over the longer period. Shorter periods do not allow for a return in investment.

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

Q3 comments: The default operator in the event of franchise failure should be Transport Scotland who will ensure continuity of service.

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

Q4 comments: The operator should be allowed to keep 60% of any additional net revenue gained through initiatives that will improve service and attract additional custom.

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

Q5 comments: Third parties such as Local Authorities and Regional Transport Partnerships should be involved in strategic decision making but not in the operational day to day running of rail services. The franchisee should however be required to consult with Regional Transport Partnerships, Local Authorities or other bodies designated by them in order to facilitate intermodal integration.

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

Q6 comments: The operator should be allowed to retain 60% of any additional revenue gained through innovative ideas or investment and allow this to be ploughed back in to an improved service.

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

Q7 comments: The level for bond and guarantees is a matter for the client and should be set at a level such that the client is no worse off arising through any default in the contract and costs of service continuity and retendering the franchise.

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

Q8 comments: Sanctions through penalties should be set at a sufficient level to ensure no repeat of service failure. For some unfulfilled franchise commitments the client may wish to deliver the unfulfilled service by others and deduct incurred costs from the franchisee. If, for example, written warnings to not deliver the required level of railway station maintenance are ignored then this maintenance can be delivered by other 3rd parties and cost deducted from payments due.

ACHIEVING RELIABILITY, PERFORMANCE AND SERVICE QUALITY

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

Q9 comments: Good performance should provide benefits to the franchisee to encourage improvements to service and infrastructure. In contrast poor performance should be penalised. A carrot and stick approach should be adopted.

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: The performance regime set out should be different for different parts of Scotland. The rural lines should have different delay time penalties from the main line delay penalties. The regime should be appropriate for the route being served and the onward connections to other modes of transport such as ferries to ensure performance regimes are not mutually incompatible. There is perhaps an opportunity to reduce delays on rural lines if dangerous trees along the railway line corridor were identified and removed

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

Q11 comments: Passengers should be more involved in setting the performance regime. This can be done through random sampling on-journey surveys identifying the key issues facing passengers in their day to day travel.

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

Q12 comments: This is a difficult balance. Every effort should be made to obtain the best level of journey times and leave an adequate margin of lateness that would not be penalised. The margin of lateness should not be excessive. Journey times should be set by the client having regard to the power of rolling stock, standard of railway line and its gradients.

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: The incentive quality regime should cover both railway stations and service delivery. It is the whole journey experience that is important to rail passengers. The franchisee should experience gains from improved quality service to provide encouragement for even better service.

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

Q14 comments: Supermarkets use mystery shoppers to assess quality of service delivery. There are a number of private sector mechanisms that can be used to assess service from the passenger perspective in addition to passenger surveys.

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: For congested services, standing time of 20 min is not unreasonable. This is already experienced on the morning journey from Muir of Ord to Inverness and is tolerable. Standing from Glasgow to Perth is however very unreasonable. A benefit of train journeys, especially on longer routes, is the ability to work while travelling and this benefit is lost if passengers have to stand.

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 stations are a disincentive to travel especially where the station service provision is poor and there are long distances between platforms. Perth is such a station where interchange facilities are poor. Direct services are preferable and should be provided as far as practicable. Interchanging is particularly difficult for passengers with heavy luggage or limited mobility, and it interrupts the working time available on a train for business travellers. It also lengthens the overall journey time, and as work during interchange is seldom practicable, interchange time is dead time.

Where interchange is necessary such as at Perth the effort in the first instance should be made to upgrade these stations and make them more acceptable for travellers.

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: No. It is better for the Government to set the requirements for frequency and journey time based on the Government's feedback from customers. Is it the intention to have a Performance Audit Group (PAG) such as with Trunk Roads who can assess these standards and monitor performance?

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

Q18 comments: There should be a robust contract specification that is objective and measurable. The specification should be clearly set out, be

unambiguous and set in simple contractual language that will encourage the franchisee to deliver quality on time and on budget.

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

Q19 comments: see answer to Q6. There should be shared benefits arising from any innovation delivered by the franchisee. It is suggested that the franchisee should retain 60% of any gains.

SCOTTISH RAIL FARES

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

Q20 comments: Fares policy should be geared at a reasonable level so as to ensure that this does not form a barrier to travel and will encourage modal shift to rail from the private car. It should be less than the perceived cost of travel by private car. Fares policy should reflect the nature of traffic on the route. It should not result in higher costs for less busy services purely because they run in the early morning (such as the 0647 Inverness – Edinburgh), or in fares anomalies such as the Nairn – Aberdeen fare (departing just before 0900) being approximately twice the Forres – Aberdeen fare (departing slightly after 0900) on the same train.

In regard to the disabled and the blind there should be an equality impact assessment of the franchise procurement documentation to ensure that these vulnerable groups of people are not adversely affected. Disability groups should be contacted to ensure that the franchise reflects their needs and that they are not disadvantaged. Free concessionary fares for the blind and also their companions should be available on a Scotland wide basis and not left for individual local authorities to support on a voluntary basis. Consideration should be given to expanding the requested free concession for the blind and their companion to include those people who are disabled and require a companion. Disabled persons (who require a companion) and also their companions should be eligible for free concessionary fares throughout Scotland. To include this within the franchise is unlikely to add significantly to the franchise cost and will sort an administrative anomaly and confusion that exists in this area for many disabled people throughout Scotland.

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: All fares under the franchise should be regulated by Government and built in to any contract.

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 objective with fares should be to achieve an 85% load factor in all trains as far as practicable. Fare levels should not be based on the ratio of revenue income and subsidy. A premium may be applied where a higher standard of rolling stock is in use, e.g. for observation carriages with tourism courier/guides providing a commentary on the route, which formerly was in place on the West Highland and Kyle lines.

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: Again the objective here should be to encourage modal shift from rail to the private car and to fill quiet trains through marketing and differential fares strategy.

SCOTTISH STATIONS

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

Q24 comments: All rail stations should be retained and there should be initiatives to encourage their use. The planning authorities should develop land use strategies around railway stations and develop more sustainable travel. There should be greater interaction between rail services and the planning authority in the evolution of development plans. Where communities are growing the Government and the franchisee should actively support the opening of new 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: Third parties should be encouraged to make greater use of railway stations through franchises for sit down restaurants such as in France and other uses such as craft shops and tourism agencies as in Fort William. Alternative uses should not be confined to fast food outlets.

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: Yes a single organisation should be responsible for railway station management; this organisation can be arms length from Network Rail similar to CMAL as with Scottish Ferries. This organisation can arrange contract frameworks with local service providers to maintain and look after the welfare of railway stations. This could be extended to the ownership and management of rolling stock similar to CMAL with the Calmac ferries.

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

Q27 comments: Local communities should be encouraged to make use of railway stations through diversification franchises away from rail services which are business and tourism related. Railways should be more integrated with the community rather than being a more insular organisation. At Fort William station there is a café and a bookshop franchise and there should be incentives to encourage more diversification within railway stations.

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

Q28 comments: Categories can be rural and urban. Tourism and business. Railway stations can be a gateway into rural catchments with information points and/or interpretive centre for visitors to the Highland area. A Railway station can be focal point for tourism information and links formed with Visit Scotland to encourage and identify railway stations with tourism. They should also provide an interchange point to other forms of transport including cycling and walking. Cyclists are also commuters and there should be investment in better and more facilities to enable cyclists to leave bicycles safely and securely at railway stations. There is insufficient capacity for cycles on many trains and further adaptations should be made to accommodate more bicycles.

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: Cross border services are essential for the Highland economy. Through trains Inverness to London provide essential transport

links for the Highland economy and must continue in perpetuity. They provide essential strategic transport links for the UK and should be specified by both the Department for Transport and Scottish Ministers. These services were highly important for business continuity during the volcanic dust crisis last year and enjoy strong support from the Highland business community.

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: These cross border services must continue north to Inverness and not stop at Edinburgh. Hub transfers are a barrier to travel and offer no benefits. All stations provide the opportunity to change trains or modes as required but for long distance travel over the length of the UK a continuous transport link is essential. The Department for Transport must urged to maintain these services in any new East Coast franchise

ROLLING STOCK

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

Q31 comments: Rolling stock should be placed in the hands of an arms length organisation similar to CMAL who look after the Calmac ferries. This will avoid bank charges of providing rolling stock through leasing agreements. This works well with the CMAL formula and retains ownership and control of rolling stock in public hands.

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

Q32 comments: All trains should have adequate cycle and luggage facilities. For longer distance trains exceeding 60 min there should in addition be hot food, Wi-Fi and mobile communications. Power sockets for computers and mobile phones should also be provided at all seats, and not only in First Class; this is of benefit to both business and leisure travellers.

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: The provision of Wi-Fi and mobile communications should be prioritised towards longer distance trains linking the Scottish cities in the first instance and continue this investment into all trains with journey trips greater than 60min.

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: Seating capacity to be tailored to demand and first class provision linked to demand for these facilities. There currently appears to be an over provision of first class facilities in trains within and to the Highlands.

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

Q35 comments: Passengers should not be permitted to drink alcohol carried onto trains but passengers may consume alcohol purchased on trains. This will help restrict misuse or over consumption of alcohol on trains.

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

Q36 comments: Printed and internet timetable information for trains is already generally good. ScotRail already publish limited information on connections by other modes, and this should be encouraged and expanded. Also having arrival times displayed in rail carriages as currently happens in Denmark will be of enormous benefit for travellers.

Provision of real time bus information in stations, for buses serving nearby stops, would be a significant benefit for connecting passengers. There should also be a means of conveniently alerting bus drivers to delayed trains at connecting points.

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: Overnight sleeper services should continue to be specified. Again this is an essential a long distance service serving the full length of the UK providing an efficient service direct in to the centre of London. It is particularly important for the north of Scotland due to the lack of high-speed lines and the limited air service.

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: Yes the sleeper service should be contracted for separately from the main Scottish franchise. The main Scottish franchise covers services internal to Scotland whereas the Caledonian sleeper traverses the length of the UK.

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: Prior to upgrading the rolling stock a passenger demand survey should be undertaken to identify on train facilities that will make the journey attractive. This survey can accommodate alternative timetables. The current timetable fits well with needs and arrives in London in good time for early morning meetings. A calling point in the Midlands would usefully increase the journey opportunities.

The current departure points in Aberdeen, Inverness and Fort William are well located for the northern extremities of the UK and should not be changed.

The provision of improved catering for evening meals and breakfast along with lounge seating will improve the journey experience. Radio facilities in the sleeping accommodation will make for an attractive overnight trip.

Greater differentiation between First and Standard Class facilities could enable higher First Class fares to be charged while retaining an affordable Standard Class service for leisure travellers. ie the inclusion of showers and ensuite facilities.

There should be an improvement to the efficiency of the booking service and also the service should be more fully promoted. Experience of the current level of service for booking a sleeper trip was variable. There is an opportunity here for improved marketing.

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: Electric trains will have a reduced carbon footprint and efforts should be made through investment in rolling stock and infrastructure to move in this direction. There will be opportunities in the future to harness increased renewable energy available in the Highlands for powering trains and providing energy to railway stations.

There should be SMART performance measurement indicators assessing franchisee energy levels.