

## 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

Highlands and Islands Enterprise

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

#### Surname

Paterson

#### Forename

Alex

### 2. Postal Address

Highlands and Islands Enterprise

Cowan House

Inverness Retail and Business Park

Inverness

Postcode IV2 7GF

Tel: 01463244210

Email alex.paterson  
@hient.co.uk

### 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 ✓

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

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

## **Introduction**

Highlands and Islands Enterprise (HIE) is the Scottish Government's economic and community development agency for a diverse region which covers more than half of Scotland and is home to around 450,000 people. HIE's role is to develop sustainable economic growth across the region. To achieve this it creates infrastructure for future investment, assists large and small businesses with growth aspirations and has a unique role strengthening communities, particularly in fragile areas. HIE also invests in transformational projects across the region to make the Highlands and Islands a more competitive and attractive place to live, work, study and grow.

## **Regional Priorities**

HIE welcomes this opportunity to consider the future of rail services in Scotland. We believe that rail has an important economic and social role to play in a relatively sparsely populated region with long distances between key settlements and Scotland's major cities. The 'inter-city' services to Inverness are well used by business travellers, residents and tourists alike, with growing patronage year-on-year. The rural Highland routes are popular with tourists, commuters (north of Inverness) and provide an important social role in connecting communities in the Far North and West Highlands. Cross-border Sleeper and day-time connectivity has also been highlighted by businesses and residents as being of significant value to the region.

In broad terms, we see the priorities for rail services post-2014 in the HIE area as follows:

### **1. Inter-city routes**

- Investment in Aberdeen-Inverness and Highland Main Line infrastructure to enable hourly services and reduced journey times for both, as proposed in Network Rail's Initial Industry Plan for Control Period 5 (2014-19), and in the Scottish Government's Infrastructure Investment Plan 2011;
- New or refurbished rolling stock on these inter-city services, providing improved facilities and comfort for business travellers, tourists and residents on journeys which are typically 2-4 hours in length;
- Investment in Inverness rail station to ensure it provides a comfortable and welcoming gateway to the Highlands, and interchange for passengers who are transferring to/from services north, east and west of Inverness;
- On-board wifi connectivity provided as standard on all long-distance routes;
- Beyond 2019, continuation of the rail electrification programme to extend north to Inverness.

### **2. Cross-border routes**

- Retention of and investment in Sleeper services, including consideration of connections between Oban and the Fort William Sleeper;
- Retention of daytime cross-border rail services between Inverness and London (the 'Highland Chieftain').

### 3. Rural Highland routes

- Closer liaison between the rail operator and the tourism industry in planning and promoting services;
- More frequent Glasgow-Oban services including a connection to the Fort William Sleeper;
- New rolling stock for the North and West Highland lines designed for long distance journeys, and with both visitors and residents in mind;
- On-board wifi connectivity provided as standard on all long-distance routes.

## Consultation Questions

HIE's responses to selected questions:

### 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:

- HIE has considered the proposals for a dual focus franchise, but currently it is not clear what a differentiation between 'economic' and 'social' elements of the franchise would really mean for rail services in our area, or what benefits it would provide. From discussions with Transport Scotland officials, we do understand that both elements of the franchise will still require operating subsidy, and in both cases the operator will be financially incentivised to produce the desired outcomes.
- It is also true, that whilst there are some similarities between what might be considered the 'economic' lines (Highland Main Line, Aberdeen-Inverness Line) and 'social' lines (West and North Highland Lines), each line serves different functions.
- Independently of how the franchise is structured, we believe it should adequately reflect the needs of the communities served along each route, the functions provided by rail in each case, and the potential for development of rail services over the course of the franchise.
- However, there are some common issues across all lines in the HIE area, that should be addressed by the next franchise:
  - Provision of new/refurbished rolling stock better suited to requirements of long-distance travel for business, tourism and leisure;
  - Coping with and responding to seasonality of demand;
  - Potential to improve the tourist products on these lines – encourage much closer working with the local tourism industry (including Destination Marketing Organisations and other tourist associations) regarding planning and promoting/marketing services;
- With regard to the individual lines, we note the following:
  - **Highland Main Line functions:** developing role as an 'inter-city' service, but also serving the Cairngorms National Park and the main tourist route into the Highlands; mix of business, tourism and leisure

- **Highland Main Line priorities:** move towards hourly frequency; reduced end-to-end journey times (sub 3 hours) including better planning/provision of interchange at Perth; pre-10am arrivals in Inverness, Edinburgh and Glasgow; rolling stock refurbishment to meet future needs; closer working with Inverness/Cairngorms tourism organisations in product development, promotion & marketing.
- **Aberdeen-Inverness Line functions:** developing role as an 'inter-city' as well as a commuter service (into both Aberdeen and Inverness), mix of business, commuting and leisure traffic.
- **Aberdeen-Inverness Line priorities:** move towards hourly frequency and reduced end-to-end journey times (c.2hrs); increase number of through running services via Aberdeen to provide additional direct services between Moray and Central Belt; rolling stock refurbishment to meet future needs; closer working with Moray tourism organisations in product development, promotion & marketing.
- **West Highland Lines functions:** significant tourist route into Argyll and the West Highlands; mainly tourism, with some local travel for leisure and personal business. Potential business travel demand from European Marine Science Park near Oban.
- **West Highland Lines priorities:** improved frequency of Oban line services, including link to Fort William Sleeper; improved connections with ferry services at Oban; new rolling stock required that meets the needs of tourists and residents; closer working with Argyll and West Highland tourism organisations in product development, promotion & marketing.
- **North Highland Lines functions:** commuter service from Tain southwards into Inverness; popular tourist routes to Kyle, Thurso/Wick, with some local travel for leisure and personal business.
- **North Highland Lines priorities:** continue to support commuting function; consider options for improved journey times between Inverness and Thurso/Wick; closer working with North Highland tourism organisations in product development, promotion & marketing.

### Scottish train services

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 do not see how making greater use of interchanges would benefit rail travel in the HIE area. Many passengers already have to change at Perth between Inverness and Edinburgh/Glasgow, whilst Inverness itself is a major interchange for travel to/from points east, north and west of the Highland capital. Most journeys between Moray and the Central Belt require interchange at either Aberdeen or Inverness.
- For passengers with restricted mobility and/or luggage, interchanges can be a source of concern and discomfort, and perhaps even a barrier to travel. In particular, increasing the frequency of services to Glasgow/Edinburgh on the

Highland Main Line, and providing some additional through services from Glasgow/ Edinburgh on the Aberdeen-Inverness Line to stations in Moray would be of benefit to passengers.

- Given the significance of passenger interchange at stations such as Perth and Inverness, attention should be given to improving experience for interchanging passengers.
- The rail franchise should incentivise, as far as possible, good connections with ferry services, including provision of alternative travel arrangements if published ferry/rail connections are missed.

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:

- We would expect Government to set minimum requirements for frequency and journey time in line with current service provision, and which takes account of seasonal variations in demand.

### **Scottish rail fares**

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

Q20 comments:

- Fares policy needs to support Scottish Government's overall purpose and Economic Strategy. It should ensure that fares are affordable to businesses and individual travellers, and remain competitive with the cost of travelling via car and bus, in particular to encourage modal shift and promote low carbon travel.
- Fares policy should also encourage provision of a suitable range of tickets and rover/travelpass type products for the tourism market, including multi-modal tickets incorporating rail, ferry and local bus travel.
- Finally, operators should be encouraged to consider the potential for developing 'premium' products on Highland routes – i.e. not just 1<sup>st</sup> class for business travellers, but also premium tourist/leisure class facilities.

### **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:

- The existing 'Highland Chieftain' cross-border service to Inverness should be retained, ideally as part of the East Coast franchise. This service offers benefits particularly for cross-border travellers that have luggage or restricted mobility, and for whom interchange at Edinburgh could present difficulties. From an economic perspective, the service has a role in providing direct access to the Highlands for visitors from North-east England as well as the

London area.

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:

- Most (East Coast) cross-border services already terminate at Edinburgh Waverley. Removing the one daily cross-border service to the Highlands would not create any benefits in terms of connections at Edinburgh.

### **Rolling stock**

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

Q32 comments:

- On the long distance routes (both mainline and rural), the core requirements are for a higher level of comfort, with adequate space for passengers and their luggage, toilets and on-board catering. When re-designing / refurbishing rolling stock, consideration could be given to creating separate 'zones' for business, quiet, leisure, families, etc.
- Additionally, consideration should be given to potential demand for 'premium' facilities – whether this is a 1<sup>st</sup> class designed primarily for business travel, or a tourist premium class or some combination of both.

### **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:

- Wi-fi provision should be prioritised for all inter-city services, and if technically feasible also extended to the long-distance rural Highland routes.

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:

- The current use of predominantly 3 car Class 170 (or 2 car Class 156/158) on Highland routes is clearly a constraint to future growth in demand, whilst allowing for 1<sup>st</sup> class/ premium facilities and space for luggage. Consideration should be given to switching to 4 car sets for Inverness and Aberdeen when rolling stock is released from Edinburgh-Glasgow following electrification of this route.
- The rural Highland routes may require a new/bespoke solution to replace existing Class 156/158 units serving these routes.

## 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:

- Yes, Sleeper services should continue to be specified to serve Inverness and Fort William. HIE welcomes the commitments of UK and Scottish Governments to invest in these services.

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:

- Whether or not the Sleeper services are contracted separately, the franchise should encourage better promotion/marketing of the services, particularly in South-East England. Operators should be encouraged to work more closely with the tourist industry in this respect, e.g. DMOs, hotel associations.

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 understand the Inverness sleeper is well used by both business and leisure travellers. The Fort William sleeper serves a quite different market, and would probably benefit from improved marketing (as mentioned above) in order to stimulate more year-round patronage.
- Provision of a connection to the Fort William sleeper from Oban would be of significant benefit for business and leisure travel to the Oban area, and could form part of a generally enhanced sleeper operation serving Argyll and the West Highlands.
- A range of accommodation similar to European sleepers should be provided – from seated cars to en-suite accommodation. Basic facilities should include key card lockable doors, power points, on-board wifi and wifi based entertainment.
- The Inverness sleeper is also used by a local business to transport live shellfish to restaurants and hotels in London, supporting many jobs in the fishing industry around the Highlands and Islands. This role should be encouraged in the next franchise, with consideration given to providing additional space to support this type of commercial activity. Air and road

transport do not provide viable alternatives to the sleeper given the need for overnight transport with a morning arrival in Central London.