

Mike Lunan

Consultation Questions

My responses should be read alongside my more detailed written Response, enclosed with this Form.

Procuring rail passenger services

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: In principle there is no reason why the franchise should not be split, but there may be very large operational reasons for keeping it in one piece. Whether one operator could manage two separate operating systems (ie maintaining single Head Office costs, single rolling stock etc.) with different payment and incentive regimes is not easy to see. I imagine such complexity would be priced into the bidding, with no real benefit to taxpayers. Occam's useful observation comes to mind: keep it simple.

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

Q2 comments: Long, ideally 20 years (see 9 above). This is roughly half the lifetime of rolling stock and re-franchising at that point would seem sensible. Choose an operator carefully then sit back and let him get on with it.

What risk support mechanism should be reflected within the franchise?

Q3 comments: I have no comment to offer.

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

Q4 comments: I have no comment to offer.

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

Q5 comments: I have no comment to offer.

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

Q6 comments: **I have no comment to offer.**

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

Q7 comments: **I have no comment to offer.**

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

Q8 comments: **The sanction that dare not mention its name is *reputational risk*. Had Andrew Adonis publicly told National Express when they quit the East Coast franchise that National Express, in all its areas of operation, could kiss good-bye to any public contracts for 10 years the outcome might have been different. Even if it were not the Minutes of the National Express Board Meeting would have been worth reading.**

Achieving reliability, performance and service quality

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

Q9 comments: **Both, as appropriate. Poor performance should be penalised not by making the operator pay £x to Transport Scotland but by requiring him to invest £x (or perhaps £1.5x) in improvements somewhere on the network, preferably in the are where the shortcoming manifested itself. It would be permitted for the operator to pay Network Rail to do this.**

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: **Individual routes, as described in 17.**

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

Q11 comments: **See detailed views in 16 to 20.**

What should the balance be between journey times and performance?

Q12 comments: **See 20.**

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: **I believe SQUIRE has delivered significant benefits to passengers and the suggestion that effort is being duplicated is inappropriate. Having someone oversee that work has been carried out properly is not duplication of effort - it's checking. It is important that this be carried out independently of the operator by someone empowered to require shortcomings to be addressed. At the same time SQUIRE should be flexible enough to respond to what passengers actually require, and any changes should be made.**

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

Q14 comments: **I believe much more could be made of the “mystery shopping” approach. When the RPCs were abolished the eyes of dozens of experienced passengers were no longer available. The ordinary passenger can - and does - complain, but such complaints are usually about failures on a particular service. What is needed is a cadre of people who can spot things before they go wrong. This does not seem to happen on the railway, in contrast with many commercial concerns who actively pursue the mystery shopping path in order to improve their service to customers.**

Scottish train services

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: **Most passengers resent standing. However the great bulk of them have little choice, and they would rather stand on *this* train than wait for a seat on the *next* one. This suggests that standing for say 15 minutes isn't an insupportable inconvenience. Again, passengers in Scotland fare remarkably well in comparison with their fellows in the London area.**

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: **As indicated in 23 I think this a very bad idea.**

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: **Train specification should be flexible across routes, as outlined in Option 3 of 5.21.**

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

Q18 comments: **Train specification should be flexible across routes, as outlined in Option 3 of 5.21.**

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

Q19 comments: **Financial rewards are likely to have high importance attaching.**

Scottish rail fares

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

Q20 comments: **(1) raising the required revenue; (2) utter simplicity and clarity.**

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: **The Strathclyde “rule” is an anomaly, dating back to SPT days, and can now be abolished. Fares should not be set by geography but by type of route (which remains unchanged *absent* enhancements and does not change with the political wind). The quantum of fares set on a commercial basis should be minimal, and only associated with trial services.**

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: **A political matter outwith my competence to comment on. 50/50 seems an equitable starting point however. Fares should be increased at a rate no faster than the generality of prices and should not be different where normal enhancements have been carried out.**

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: **See 32 for a detailed response.**

Scottish stations

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

Q24 comments: **With very great care indeed, see 38 above. An obvious closure on the face of it would be Invershin on the Far North Line. It has a tiny footfall and serves no community beyond a few houses. Foot passengers may walk across the Shin Viaduct to Culrain; anyone who has had to drive to Invershin can drive a few miles further to Lairg. I suggest that anyone seriously putting this forward should walk, accompanied by their grandmother, across the Shin Viaduct on a December night.**

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: **The merits are excellent - if an outside body wishes to invest money in the railway I can see no objection provided that standards etc. are sufficiently high. Care must be taken that there is sufficient certainty of continuing day-to-day funding if this is appropriate; this may be harder to ensure if the outside body is not a statutory one.**

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. Carefully.**

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

Q27 comments: **First ScotRail encourages this kind of activity already, with some success. More of the same.**

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

Q28 comments: This is a large subject, and weight should be given to the Passenger Focus studies already carried out in this area. It might be worth commissioning PF to carry out an up-to-date Scotland-only study. Passengers want to be safe, comfortably warm and dry, informed. Beyond these basic needs their further requirements are likely to depend on the length of time they expect to be waiting at the station. As this increases they will expect toilet facilities, refreshment facilities and larger waiting areas. Depending on the footfall they will expect a manned presence during the busier times of day, including information as well as ticket selling. Where passengers expect to drive to and from the station they will expect car parks, often catering for several hundred cars. All of this is basic and all of it is at the forefront of the mind of the current franchisee and doubtless of any potential bidder. It is hard to think of a facility which is both useful and absent, although the extension of facilities to stations not already possessing them is always welcome.

Cross-border services

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: Yes, as set out in 42 and 43. Currently these services are specified by the DfT with input from Transport Scotland. I see no likelihood that DfT would cede this responsibility, but perhaps it might contemplate equal status for Transport Scotland where relevant.

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: No.

Rolling stock

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

Q31 comments: **This is a technical area in which I have no expertise.**

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

Q32 comments: **The Passenger Focus research, captured in 9.17, gives a good basis. I would take issue with the observation in 9.18 that there was no significant difference between different types of passenger with regard to luggage space. Commuters rarely need any provision for items larger than a brief case; tourists frequently need vastly more space than is provided. Rolling stock must have what is regarded as the appropriate amount, and then at least 50% more.**

Passengers – information, security and services How should we prioritise investment for mobile phone provision and / or Wi-Fi type high-bandwidth services?

Q33 comments: **Highly. Wi-Fi is clearly something which will be increasingly expected on all trains. It should be standard in any new or refurbished rolling stock.**

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 is a matter which should be left to the commercial discretion of the franchisee. Any commercially-minded business would rather sell 1st Class tickets to 10 passengers than carry 12 more Standard class passengers. The franchisee should be allowed to set its own arrangements. It might be proper for the franchise to stipulate that 1st Class seats shall be available on all (or a specified list of) services, but not the actual number.**

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

Q35 comments: **Common sense. If it right to ban alcohol on trains to and from certain sporting fixtures it is probably right to ban alcohol on trains to and from other potentially rowdy events (T in the Park, pop concerts etc.). But policing it will be difficult. Even with a total ban on smoking on trains there are still frequent occasions when smokers use the toilets. A blanket ban on alcohol would be quite disproportionate: why should I forfeit my enjoyment of a drink merely because a minority become obstreperous? Machinery already exists to deal with stropky passengers.**

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

Q36 comments: **This is always the Achilles heel of any train operator, and no-one ever seems to get any better at dealing with it. When things are going to timetable the provision of information (at stations and to the mobile telephones of passengers) has improved greatly over the last few years. But when things go wrong the provision of up-to-date information remains abysmal. To be fair to the front line staff, to whom passengers naturally turn in such circumstances, they often don't know what is happening. In these circumstances "I don't know; I'm trying to find out and I'll let you know as soon as I find out" will satisfy most passengers provided it is repeated every 10 minutes or so. But the behind-the-scenes discovery and provision of information to the front line staff (and to station announcers) is poor. With the universal availability of Blackberry devices there is no excuse for this. The new franchise must contain details of how this shortcoming will be addressed (by staff training, as much as anything else) within the first 12 months of the new franchise.**

Caledonian Sleeper

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

Q37 comments: **Yes.**

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: **No.**

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: The provision of more early or late trains would surely have little impact on Sleeper patronage. After all, the point about the Sleeper is that it combines travel with overnight accommodation. Neither an early nor a late train obviates the need to sleep somewhere (and somewhere close to the centre of an expensive major city in most cases). Against this background the Sleeper offers very good value. I would not wish to see any of the current destinations of the Highland Sleeper withdrawn. Whether or not an Oban portion were introduced would be the sort of matter that a franchisee could test on a non-franchise basis (as in 32 above). The present facilities are adequate and - beyond refurbishment as required - need no further enhancement. (The only shortcoming I have found is that the provision of food in the Lounge Car is too often less than that advertised; but this is a day-to-day matter for the franchisee. Following the deplorable behaviour of National Express and then East Coast in wantonly destroying the excellent reputation built up by GNER in the area of restaurant cars, it would be a national disgrace if the only decent restaurant car on Britain's railways were not to continue to serve haggis and whisky to weary travellers.)

Environmental issues

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

Q40 comments: I have no comment to offer beyond endorsing the priorities set out in 12.8.

My detailed Response is appended here.

Response to *Rail 2014* (R14) from Mike Lunan

1 I am grateful for the opportunity to contribute to the R14 Consultation. I make my response as a Member of ORR's Rail Industry Advisory Group (a safety body where I am a lay member representing passenger interests), and in my private capacity as a resident of Thurso - the most northerly station on the British rail network.

2 It is relevant to state my involvement with passenger representation. From

1998 until its abolition in 2005 I was a Member (from 2000, Convener) of the Rail Passengers' Committee for Scotland, and as such a Member of the Rail Passengers' Council. I was the Convener of the Council's Safety Task Force, liaising with industry members at a high level on all aspects of passenger and public safety. I was - and remain - closely involved with level crossing safety issues. From 2005 until 2009 I was Convener of the Friends of the Far North Line - a rail user group promoting better services on the line from Inverness to Wick and Thurso.

3 Before addressing R14 itself I think it proper to acknowledge the considerable strides that the railway has made in Scotland, particularly since the re-convening of The Scottish Parliament in 1999. Successive Scottish Governments have provided the vision and finance to carry out a significant number of expansions and enhancements. Among these have been the Larkhall-Milngavie reopening, the Newcraighall service, the opening of Beaulieu station and others. More recently we have seen the Airdrie-Bathgate reopening, the restoration of a rail service to Alloa and new rolling stock on the Ayrshire routes. Commitments have been made to construct 25 miles of railway into the Borders and to electrify the main Edinburgh-Glasgow route (with some sensible additions). All of this has been accomplished at a time when new stations and reopened lines have been very rare south of the Border, apart from the High Speed Line in Kent.

4 As the Ministers point out in the Foreword, 2014 sees both a new ScotRail franchise and the beginning of Network Rail's CP5, and the opportunity to consult on and consider what the Scottish rail system should be for the next generation is welcome and timely.

5 While this Consultation has been open the Secretary of State has confirmed the Westminster Government's intention to build HS2, initially from London to Birmingham with second-stage extensions to Leeds and Manchester. Scottish Ministers have at the same time indicated their desire that HS2 should eventually reach Edinburgh and Glasgow, and have taken steps to become involved in the planning process. Further consideration of HS2 is outwith the Consultation and this Response, but it serves to underline the importance of long-term rail planning and the need to have a clear vision for periods much longer than the parliamentary timescales normally dictate.

6 Paragraph 2.1 sets out the Scottish Government's seven Economic Strategy Transport Priorities (which I have numbered GES1 to GES7 for easy reference). Of these GES2 (maintaining a safe and reliable transport infrastructure) can be ignored in this Response as it is the day-to-day responsibility of Government to do this. GES5 (the Forth Replacement Crossing) and GES7 (international connectivity) are also ignored as being beyond the scope of this Consultation. The others may be summarised thus: GES1 - better connections, reliability and journey times; GES3 - greener transport and modal shift; GES4 - preserving rural links; GES6 - continuing to improve the rail network in Scotland. 2.4 adds to these high-level priorities five "aims" of *Scotland's Railways*.

7 I endorse the policy statements set out in 2.17 to 2.19. The opportunity to cast the provision of rail services in Scotland occurs rarely and the importance of “the industry acting in a co-ordinated, integrated manner” cannot be over-stated.

8 The priorities of passengers, as researched by Passenger Focus, are set out in 2.23. They should remain at the focus of every decision made, and the question asked at each point *does this help to meet passengers’ priorities as set out by PF, or does it make them further from realisation?*

9 3.18 suggests that “there is no conclusive evidence that longer [franchise] contracts will increase the level of investment from TOCs”. This flies in the face of the experience of Virgin and Chiltern. In the former case a long franchise has seen the introduction of Voyagers and Pendolinos. While neither train is without drawbacks it cannot be denied that an entrepreneurial boss with a flair for publicity and a long pay-back period has delivered a step change in rail provision which would have been extremely unlikely elsewhere on the network. A similar long-term vision from Adrian Shooter at Chiltern has seen unimaginable infrastructure enhancements with concomitant service improvements. I suggest that, contrary to what is stated in 3.18, the evidence points very strongly towards the conclusion that the right franchisee with a long franchise will deliver far more. The idea of break points in a long franchise may seem attractive to a lawyerly mind, but will be seen by an entrepreneur as an extra source of risk, and will be priced accordingly. By all means let a franchise specify certain minimum standards to be met, with penalties for failure, but the possibility of early termination should not be an option. Fines are the appropriate means of dealing with performance shortcomings. The policy must be to encourage entrepreneurial management of the railway.

10 I am not clear what is envisaged in 3.20, and without a better idea of what is envisaged it is impossible to respond. If the example of the *Jacobite* summer steam services between Fort William and Mallaig is what is in mind I doubt if incorporating these into the franchise would be welcome either by the current franchise operator or the *Jacobite* operator.

11 I agree with the view in 3.24 that there should be less detail in franchise contracts. In the following paragraph weight is attached to the concept of *value for money*. This is a term much bandied about in rail policy documents, and has acquired almost shibboleth status. However it suffers from two major drawbacks: no-one knows what it means and no-one knows how to measure it accurately. Passengers, when asked whether they think they are getting value for money are naturally inclined to say that they are not, for how else can they expect quality to be raised? I have for many years tried to get PF and others to find a better, more objectively quantifiable, measure but without success. Until such a thing can be found I believe that chasing a higher value for money target may well mis-allocate scarce resources. After all, halving all fares ought to see a substantial increase in value for money percentages among passengers, but such expenditure would clearly be mis-allocated.

12 3.35 places perhaps too great weight on parent company guarantees. The experience of GNER when Sea Containers encountered financial problems, and of National Express when the East Coast franchise was handed in, hardly inspire

confidence that a parent company guarantee is actually worth much.

13 3.36 suggests that high performance bond levels could prevent “potential classes of bidder such as mutuals or co-operatives”. Is there any evidence that such bodies have shown, or are likely to show, interest in bidding?

14 It is now appropriate to answer the first suite of Questions. Failure to address a question should be taken to mean that I have no view.

- **Q01 In principle there is no reason why the franchise should not be split, but there may be very large operational reasons for keeping it in one piece. Whether one operator could manage two separate operating systems (ie maintaining single Head Office costs, single rolling stock etc.) with different payment and incentive regimes is not easy to see. I imagine such complexity would be priced into the bidding, with no real benefit to taxpayers. Occam’s useful observation comes to mind: keep it simple.**
- **Q02 Long, ideally 20 years (see 9 above). This is roughly half the lifetime of rolling stock and re-franchising at that point would seem sensible. Choose an operator carefully then sit back and let him get on with it.**
- **Q08 The sanction that dare not mention its name is *reputational risk*. Had Andrew Adonis publicly told National Express when they quit the East Coast franchise that National Express, in all its areas of operation, could kiss good-bye to any public contracts for 10 years the outcome might have been different. Even if it were not the Minutes of the National Express Board Meeting would have been worth reading.**

15 4.7 and 4.8 suggest that (a) people who do not currently use rail might be attracted by shorter journey times, and (b) that for current passengers reliability and punctuality are what matters. The suggestion seems to be that these are mutually exclusive - with a thoroughly worked-out timetable and appropriate infrastructure they need not be. There is always a danger here of recasting a timetable (by implication for many years) which cements the existing infrastructure weaknesses. The Highland Main Line is a good example. Trains can pass only at certain places; some dynamic, some not so. A step change in train services cannot be delivered without redoubling some sections, but this takes time, during which a better timetable cannot be delivered.

16 4.14 invites consideration of various performance issues. “Lateness” should be defined exactly as it says on the tin. A train is late if it is one minute late at each timetabled station. Of course no penalty should be incurred for a one minute late occurrence, but it should nevertheless be recorded and published. The point at which a penalty is triggered is probably about right where it is, but passengers are irked by the pretence that a train 599 seconds late is somehow on time. It isn’t: it’s 10 minutes late and Scotland would be an excellent place to advance this new honesty. (This does not mean that compensation arrangements should change.)

17 Performance must be measured on individual routes. When I travel on a train I am not an electron, journeying to my destination by all possible routes with a wave function describing my probable location. I am a passenger on one train on one bit of line. I am late or I am not.

18 Lateness, as noted in 16, should be measured at each scheduled station. If nothing else this will eliminate the dishonest practice of padding the final timetabled stretch of any journey.

19 The fifth bullet point of 4.14 (“Whether the performance regime ...”) should also encompass the possibility that a connection is missed by a late-running arrival. In an ideal world we would have a properly integrated system where buses met trains, but until then incorporating missed bus connections is too complicated. But if a train arrives late and a connecting train is missed there should be a larger penalty on the operator. This will encourage operators to timetable connections more thoughtfully at the principal interchanges, in itself a useful thing.

20 The final bullet point of 4.14 poses a seemingly intractable question, but the answer is surely simple. First get journey times as low as possible by carrying out the necessary infrastructure enhancements. Then create a timetable and stick to it. One hesitates to invoke the Japanese model, but their timetables last for decades.

21 The second suite of Questions.

- **Q09 Both, as appropriate. Poor performance should be penalised not by making the operator pay £x to Transport Scotland but by requiring him to invest £x (or perhaps £1.5x) in improvements somewhere on the network, preferably in the are where the shortcoming manifested itself. It would be permitted for the operator to pay Network Rail to do this.**
- **Q10 Individual routes, as described in 17.**
- **Q11 See detailed views in 16 to 20.**
- **Q12 See 20.**
- **Q13 I believe SQUIRE has delivered significant benefits to passengers and the suggestion that effort is being duplicated in inappropriate. Having someone oversee that work has been carried out properly is not duplication of effort - it’s checking. It is important that this be carried out independently of the operator by someone empowered to require shortcomings to be addressed. At the same time SQUIRE should be flexible enough to respond to what passengers actually require, and any changes should be made.**
- **Q14 I believe much more could be made of the “mystery shopping” approach. When the RPCs were abolished the eyes of dozens of experienced passengers were no longer available. The ordinary passenger can - and does - complain, but such complaints are usually about failures on a particular service. What is needed is a cadre of people who can spot things before they go wrong. This does not seem to happen on the railway, in contrast with many commercial concerns who actively pursue the mystery shopping path in order to improve their service to customers.**

22 5.4 contrasts loadings on two journeys, chosen doubtless because they show two extremes. I find it surprising that capacity on the unlikely journey between Motherwell and Cumbernauld is as high as 10%. The document does itself no favours by giving rail’s critics an easy jibe. A former Secretary of State suggested that carrying fresh air round the countryside wasn’t what the railway is for. Another easy jibe, and one which is refuted by pointing out that all the fresh air inside Trident

submarines isn't economically productive either. Trains are nowadays of fixed formation, and necessitate the extra capacity required during the peak being hauled around largely empty in the off-peak. Scrapping loco-hauled carriage stock has this as an essential consequence. Scotland is largely spared the sight of dozens of empty trains sitting outside London termini in the afternoon waiting to take commuters - many of whom will be standing - home.

23 5.16 raises the unwelcome idea that many journeys should no longer be through, but that passengers will be expected to change. Passengers dislike changing - apart from the upheaval of getting to the other platform (which may not be straightforward, particularly with luggage or any impediment) there is the risk that one may not find a seat, or that one's train may be late and the connection missed. Even if none of these comes to pass the anxiety will still be there. An operator's possible "greater efficiency" should not be at the cost of greater inconvenience or anxiety to every one of its passengers. Much is made of the importance to business passengers of being able to work while travelling. Making business passengers change, with a consequent wait, will make them less likely to travel by train. A through train arrives at the supposed interchange station and after a few minutes goes on its way again. No interruption to work, no need to move luggage, no anxiety about a missed connection.

24 On those occasions when it is necessary to change it is important (5.17) that the facilities provided are appropriate. Toilets are free on a train - why should a passenger have to pay to use a toilet at a station? Why should left luggage be so prohibitively expensive? Now that the threat of IRA terrorism has receded why have luggage lockers not be re-opened (as they were in Belfast and Dublin throughout the last 40 years)? Litter bins?

25 5.21 sets out options. I endorse the rejection of the first two. Since option 3 is kind enough to mention the Far North Line let me suggest that the "fuller specification" which you suggest ought to include basic things like the provision of a trolley on all services. A four-hour journey demands refreshment opportunities at any hour of the day. Indeed, the elimination of the "no catering" category from all but the shortest journeys should be a requirement. Dundee to Edinburgh affords plenty of time to serve a hot drink to every passenger who wants one.

26 The third suite of Questions.

- **Q15** Most passengers resent standing. However the great bulk of them have little choice, and they would rather stand on *this* train than wait for a seat on the *next* one. This suggests that standing for say 15 minutes isn't an insupportable inconvenience. Again, passengers in Scotland fare remarkably well in comparison with their fellows in the London area.
- **Q16** As indicated in 23 I think this a very bad idea.
- **Q17**) Train specification should be flexible across
- **Q18**) routes, as outlined in Option 3 of 5.21.
- **Q19** Financial rewards are likely to have high importance attaching.

27 The fare structure is a mess, and is generally acknowledged to be so. The DfT has made suggestions that Something Might Be Done but there is no reason why Scotland cannot devise and implement a Better System here. (There might be

difficulties in aligning a radically different Scottish fare structure with the existing fare structure used by cross-border operators, but no problem is insoluble.) It is not for me to suggest what such a system should look like - there are enough transport economists out there to provide Transport Scotland with views - but perhaps it might be useful to suggest a few high-level principles.

- A fare system must be *extremely* simple to understand.
- It must reflect the cost of providing that proportion of the service that the Government expects the passenger (as distinct from the taxpayer) to pay. (*Reflect*, not *match*.)
- It must command general, if grudging, respect from the generality of passengers.
- It should advance policy objectives of encouraging (a) modal shift from private cars, and (b) travel outwith the peaks.
- It should reward frequent or regular travellers by the targeted use of discounts.

Back to Japan again - there the system is broadly so much a mile, with adjustments for rural routes where there tend to be rather a lot of miles. If it is desired to keep the overall fare box unchanged over the whole of Scotland then the figures exist (albeit not publicly) for a calculation to be done. Perhaps the cost might be x pence per mile for most routes or $0.6x$ (or some other factor) for rural routes. Much juggling can be done to bring out the required social and economic objectives. Travel outwith the peaks costs half the peak fare; 1st Class is 50% extra. Season tickets give appropriate discounts. Carnet tickets (ie. flexible season tickets) should be much more widely available.

28 The question of fare regulation crops up precisely because the existing structure is a mess. Were Scotland to be blessed with a simple system like that described above there would be no need for complicated regulation. Fares would increase annually (never more often) if the RPI triggered an increase (which seems likely for the foreseeable future). All fares would increase by the regulated percentage (otherwise simplicity begins to disappear). Special “innovative” fares under “commercial freedom” conditions such as those discussed in 6.16 would be exempt, but these would be few in number by definition and the extra complexity introduced would be minimal.

29 Fare baskets (6.17) are an anathema. I am not an electron, remember, and I do not travel in a basket.

30 6.20 examines the case for applying higher fare increases where enhancements have been delivered. On the face of it this has attractions, not least that passengers on such lines have clear evidence of a better service. But it would destroy the overarching simplicity of a radically new fare structure such as that outlined in 27 above. However it could be justified in any such route *before* a new fare structure were put in place, or thereafter if the route were previously of the “ $0.6x$ ” variety. Otherwise the drawbacks outweigh the obvious benefits. This point is raised again in 6.25. Unless the enhancements are of a very substantial nature (for example the introduction of domestic services on HS1) this pressure should be resisted.

31 In 6.21 it should be noted that petrol prices, unlike rail fares, sometimes fall. In 6.22 the CPI *versus* RPI issue is raised. In practice it matters little whether $CPI + x\%$ or $RPI + y\%$ is used; what matters is that any increase (if one is to happen at all) is formulaic, clearly understood and, as before, generally (if grudgingly) regarded as

reasonable.

32 6.27 examines the idea that a larger - say 20% - price differential between full and off-peak fares might be necessary to engender a useful change in patronage. Surely this is precisely the kind of area where a properly conducted trial, say for 2 years, would deliver useful results. Either it works or it doesn't; if it doesn't, would say 30% work? Desk-top modelling will not reveal the truth, but a study in a carefully-chosen area, ideally comprising two or three contrasting routes, should do so. The Glasgow-Perth-Edinburgh-Glasgow (via Airdrie) triangle offers a good range of likely journey types.

33 I concur with the resolution in 6.28 to have nothing to do with the extra layer of complexity introduced by shoulder-peak pricing.

34 The Oyster card (and its derivatives) have been immensely successful in London and extraordinarily slow to travel outwith the M25. Clearly smart ticketing in all its forms is the way in which travel (not just rail) will be paid for in the next 25 years and Scotland should redouble its efforts to find a way of doing it. I recall writing much the same on the subject of ferry fares in 2002/3 - but there seems to have been no progress. There are difficulties, but if they can do it in London and in Northern Ireland they can do it here.

35 The fourth suite of Questions.

- **Q20 (1) raising the required revenue; (2) utter simplicity and clarity.**
- **Q21 The Strathclyde "rule" is an anomaly, dating back to SPT days, and can now be abolished. Fares should not be set by geography but by type of route (which remains unchanged *absent* enhancements and does not change with the political wind). The quantum of fares set on a commercial basis should be minimal, and only associated with trial services.**
- **Q22 A political matter outwith my competence to comment on. 50/50 seems an equitable starting point however. Fares should be increased at a rate no faster than the generality of prices and should not be different where normal enhancements have been carried out.**
- **Q23 See 32 for a detailed response.**

36 7.5 mentions the STAG process. If the whole basis of Scotland's railway is being examined this might be a good place to point out that there is a considerable body of opinion which regards the STAG process as having an in-built bias against smaller, rural schemes where the number of passengers benefiting from a proposed enhancement is necessarily small. This is not meant as a criticism of the principles underlying the process, merely that there is a perception that the mechanistic nature of the evaluation needs re-examination and probably adjustment to eliminate any bias which may be found. Benthamite principles must not altogether ignore the lesser numbers.

37 I applaud the suggestion in 7.6 that outside bodies, whether statutory or not, should be encouraged to become involved with stations.

38 In 7.9 the figure of £650,000 a year to keep 37 little-used stations open is alarming. What would be the cost of closing them? Is the likely bad publicity worth

it? It is hard to square the thinking behind 7.9 with the statement in 7.11 that you “do not intend to reduce ... the number of stations”. Even if all 16 of the “less than 500” footfall stations were closed it’s hard to see where 16 new stations could be justified. The urban situation described in 7.10 seems clear - there are several stations rather closer together (but perhaps on different lines?) than is economical. I feel that these 3 paragraphs are ill-thought-out and deliver a confusing message. No doubt there are better places to site some stations, but the expense of doing this merely to save less than £900,000 a year seems disproportionate. How much did it cost to re-site Drumgelloch with all the attendant signalling costs?

39 I have suggested in 9 above and in my Response to Q02 that an ideal length for the new franchise should be 20 years. If this were so, and stations were in the control of the train operator then there would be a long enough pay-back period for the operator to gain revenue from the cost of station improvements. In these circumstances it might be appropriate at the same time to reconsider whether any other station should be re-allocated to Network Rail, as are Waverley and the two Glasgow termini. Haymarket would be an obvious candidate given the plans recently announced to create a new interchange with the trams there. With regard to 7.22 I am not convinced that sub-leasing is a good idea at this time. I should prefer to see how a new franchisee responds to the opportunities and challenges of a 20-year franchise before implementing too many changes all at once. Such an innovation could be initiated on a trial basis with the co-operation of the franchisee at some stations after say 5 years.

40 Suite five of the Questions.

- **Q24** With very great care indeed, see 38 above. An obvious closure on the face of it would be Invershin on the Far North Line. It has a tiny footfall and serves no community beyond a few houses. Foot passengers may walk across the Shin Viaduct to Culrain; anyone who has had to drive to Invershin can drive a few miles further to Lairg. I suggest that anyone seriously putting this forward should walk, accompanied by their grandmother, across the Shin Viaduct on a December night.
- **Q25** The merits are excellent - if an outside body wishes to invest money in the railway I can see no objection provided that standards etc. are sufficiently high. Care must be taken that there is sufficient certainty of continuing day-to-day funding if this is appropriate; this may be harder to ensure if the outside body is not a statutory one.
- **Q26** Yes. Carefully.
- **Q27** First ScotRail encourages this kind of activity already, with some success. More of the same.
- **Q28** This is a large subject, and weight should be given to the Passenger Focus studies already carried out in this area. It might be worth commissioning PF to carry out an up-to-date Scotland-only study. Passengers want to be safe, comfortably warm and dry, informed. Beyond these basic needs their further requirements are likely to depend on the length of time they expect to be waiting at the station. As this increases they will expect toilet facilities, refreshment facilities and larger waiting areas. Depending on the footfall they will expect a manned presence during the busier times of day, including information as well as ticket selling. Where

passengers expect to drive to and from the station they will expect car parks, often catering for several hundred cars. All of this is basic and all of it is at the forefront of the mind of the current franchisee and doubtless of any potential bidder. It is hard to think of a facility which is both useful and absent, although the extension of facilities to stations not already possessing them is always welcome.

41 We come now to those areas of the Consultation Document which have raised the most controversy in the press. Reading between the lines it is fairly clear to me that many skittles have been erected for the express purpose of their being knocked down. Nonetheless knocked down they must be, and knocked down comprehensively.

42 The idea that cross-border services should terminate at Waverley is preposterous. East Coast and Cross Country both operate well beyond Waverley, to Glasgow, Inverness and Aberdeen, and to Glasgow and Aberdeen respectively. When East Coast reduced its Glasgow services recently (amid much complaint from Scottish users) much was made of the connectivity with the north of England offered by Cross Country. Passengers from beyond Waverley do not wish to change there; they want through journeys for all the reasons advanced in 23 above. Although much improved in recent years Waverley is not a welcoming place to wait for a connecting train (always assuming that the connection has not been missed). The seating accommodation is minimal and uncomfortable; many of the platforms are accessible only by using stairs or a lift, and it can take several minutes to cross from one side to the other. The idea put forward in 8.6 that services beyond Waverley should be operated by ScotRail is extremely unwise, despite its surface attractions (all of which confer benefits on the operator or the funder, with all the drawbacks felt by the passenger). 10.1 tells us proudly that “passengers should be put at the centre of any consideration on how to operate a rail network”. Terminating long-distance trains to and from England at Waverley flies in the face of this.

43 Having three operators running trains between Edinburgh and Aberdeen gives passengers a degree of choice not widely available elsewhere. There is a wide range of directly-served stations in England; there is a range of types of rolling stock with widely differing standards of comfort (in Standard as well as in 1st Class); there is a range of catering provision; there is even a range of price options. These choices serve passengers on that stretch of line well and should not be arbitrarily curtailed. For the foreseeable future these are not international services; any suggestion that they be curtailed should wait until they are.

44 The sixth suite of questions.

- **Q29 Yes, as set out in 42 and 43. Currently these services are specified by the DfT with input from Transport Scotland. I see no likelihood that DfT would cede this responsibility, but perhaps it might contemplate equal status for Transport Scotland where relevant.**
- **Q30 No.**

45 Chapter 9 addresses the issue of rolling stock - curiously separate from (in Chapter 10) the issue of passenger comfort. The two are surely inextricably linked:

good rolling stock is rolling stock which *inter alia* provides the highest practicable degree of comfort.

46 Currently, as set out in Table 7, ScotRail has fleets of EMUs (59 units pre-dating privatisation and 78 since, including 38 units no more than two years old) and DMUs (96 pre-privatisation units and 59 between 7 and 14 years old). 9.10 notes that vehicles are typically withdrawn “after 35 years”. Thus the pre-privatisation DMUs would, on this basis, expect to be withdrawn between 2014 (Class 314) and 2025 (Class 320). However the tighter requirements regarding disabled passengers will come into force (*absent* derogations) at the end of 2019, and this will have a significant effect on rolling stock throughout the British network in the next eight years. In practice it is hard to see that derogations will be allowed for Class 314 (then 40 years old) and Class 318 (then 33 years old), and these are likely to be withdrawn for replacement no later than 2019. Class 320s will be 29 years old, with several years’ of expected service and it is likely that the owning ROSCO will prefer to carry out the necessary modifications rather than scrap the class early. However, that will be a commercial decision unlikely to be taken for some years. It is therefore likely that at least 37 EMU units will require replacement before 2020. All of these units work in the greater Glasgow commuter area, and suitable new rolling stock is of a type readily available elsewhere in Great Britain, and currently being supplied to English operators. I foresee no difficulty arising with replacement of EMUs for the new franchise in the first 8 years of its expected 20-year term.

47 DMUs present a much trickier problem. The Class 156s will be 31 years old and the Class 158s 29 years old at the end of 2019. 9.14 suggests that they “will need to be re-engineered, refurbished or replaced” then. 9.13 states that ROSCOs “are more willing to finance electric trains than diesel trains”, although nowhere is it suggested that ROSCOs will refuse to finance new DMUs - ROSCOs are bankers, and bankers will carry out this type of business if the price is right. It continues “they do however support the refurbishment of existing diesel units”. Transport Scotland, and the new franchisee, seem to be presented with three options, none of them ideal.

48 The first, and seemingly the one which R14 prefers, is that the Class 156s and Class 158s receive another refurbishment before 2019. Whether it is envisaged that these units should run much beyond their 35 years is not clear, but they are already tired internally and showing increasing failure rates. In particular the ScotRail Class 158s have a much worse reliability than similar units used by other operators. Doubtless some of this is because out 158s operate on much hillier routes with many more station stops, but the fact remains that these units will not suddenly find easier conditions in 2020 after refurbishment (and probable re-engineering).

49 The second option - the one I believe most likely - is that ROSCOs will be accommodating and prepared to finance new build DMUs of a type suitable for the 156 and 158 replacement. There are large numbers of 156 and 158 (and 150 and 153) units operating elsewhere, all of which will require replacement or major refurbishment. There will be the potential for an order book juicy enough to attract a ROSCO.

50 The third option, which ought to be stated before being discarded as too optimistic, is for a return to loco haulage of high quality purpose-built coaches. These

would bring the flexibility of train length (all that fresh air) during the off-peak which was lost with the introduction of multiple unit trains. Passengers would love a return to a modern version of a Mk 3 - all that room! all those windows!

51 *En passant* the writers of R14 have to be congratulated in slipping a joke past the eagle eye of the final vetter. 9.15 omits saying that pigs are unlikely to fly “in the near future”. Passengers on rural routes are not holding their breath for imminent electrification, so no unreasonable expectation has been raised.

52 Realistically, Option 2 is the most likely. The clever part will be ensuring that the new DMUs are appropriate, both for the terrain and for the comfort of the passengers who will use them. 9.16 suggests leaving this to the franchisee. In principle this would be the right approach and one I would endorse, but the special conditions - a large fleet requiring replacement and a likely 20-year franchise - applying now lead me to prefer a more hands-on approach by Transport Scotland *on this occasion only*. Passenger representatives’ views should be widely sought with a view to drawing up a list of requirements for a fleet of 96 (or however many may be needed following the expected cascade of Class 170s once the Edinburgh-Glasgow route is electrified) DMUs for operational use in 2019 or earlier.

53 I defer my Response to the seventh suite of Questions until after I have considered Chapter 10.

54 R14 is presented as a once-in-a-generation opportunity to do some radical thinking. Sadly this seems to have deserted the writers of Chapter 10. If we start from first principles we are faced with a simple problem. How do we persuade more people out of their cars and onto trains? The comparator, surely, is between my car and the train. Each has its advantages and drawbacks, too numerous and obvious to list (I can’t doze in the car, but it goes precisely where I want it to; I don’t have to park the train but its seat isn’t comfortable, and so on). What is sad is that the interior comfort of the average family car has improved greatly over the last 40 years whereas (with one or two exceptions) the interior comfort of most trains has gone the other way. (I exclude short-distance commuter trains where there has certainly been improvement.) If the ScotRail DMU fleet is largely replaced by 2020 it will be by stock which will be expected to run until 2055 or so. Now is the time to think carefully about the kind of train interiors we wish our grandchildren still to be using, and to seek the highest quality of interior fixtures, just as we would naturally seek the highest quality of engineering under the floor. I believe that without an approach which seeks to narrow as far as possible the comfort/convenience gap between the car and the train it will be impossible to achieve the desired long-term modal shift which the Scottish Government seeks. Comparison with existing new-build rolling stock will not suffice - a wholly fresh vision is needed.

55 I now turn to the seventh and eighth suites of Questions.

- **Q31 This is a technical area in which I have no expertise.**
- **Q32 The Passenger Focus research, captured in 9.17, gives a good basis. I would take issue with the observation in 9.18 that there was no significant difference between different types of passenger with regard to luggage space. Commuters rarely need any provision for items larger than a brief case;**

tourists frequently need vastly more space than is provided. Rolling stock must have what is regarded as the appropriate amount, and then at least 50% more.

- **Q33** **Highly.** Wi-Fi is clearly something which will be increasingly expected on all trains. It should be standard in any new or refurbished rolling stock.
- **Q34** **This is a matter which should be left to the commercial discretion of the franchisee. Any commercially-minded business would rather sell 1st Class tickets to 10 passengers than carry 12 more Standard class passengers. The franchisee should be allowed to set its own arrangements. It might be proper for the franchise to stipulate that 1st Class seats shall be available on all (or a specified list of) services, but not the actual number.**
- **Q35** **Common sense. If it right to ban alcohol on trains to and from certain sporting fixtures it is probably right to ban alcohol on trains to and from other potentially rowdy events (T in the Park, pop concerts etc.). But policing it will be difficult. Even with a total ban on smoking on trains there are still frequent occasions when smokers use the toilets. A blanket ban on alcohol would be quite disproportionate: why should I forfeit my enjoyment of a drink merely because a minority become obstreperous? Machinery already exists to deal with stropky passengers.**
- **Q36** **This is always the Achilles heel of any train operator, and no-one ever seems to get any better at dealing with it. When things are going to timetable the provision of information (at stations and to the mobile telephones of passengers) has improved greatly over the last few years. But when things go wrong the provision of up-to-date information remains abysmal. To be fair to the front line staff, to whom passengers naturally turn in such circumstances, they often don't know what is happening. In these circumstances "I don't know; I'm trying to find out and I'll let you know as soon as I find out" will satisfy most passengers provided it is repeated every 10 minutes or so. But the behind-the-scenes discovery and provision of information to the front line staff (and to station announcers) is poor. With the universal availability of Blackberry devices there is no excuse for this. The new franchise must contain details of how this shortcoming will be addressed (by staff training, as much as anything else) within the first 12 months of the new franchise.**

56 The final skittle concerns the implied threat to withdraw Sleeper services. Since R14 was published we have seen the offer of £50 million from the Chancellor and a matching £50 million from Scottish Ministers to continue to finance cross-border Sleeper services. I am in no doubt that there was never any real intention to withdraw them, and the resounding raspberry from the press and public will no doubt cause any residual inclination to think along those lines to vanish utterly. Having said that, the odd idea of splitting Sleeper services into a separate franchise remains to be defeated. True, Sleepers are a specialised service with dedicated rolling stock and a number of hired locomotives. But the franchise would be one of the smallest on the British network and the Head Office costs would be disproportionately large. Even if it were offered as a stand-alone franchise it would in all likelihood be bid for by other Train Operators (who alone have the expertise to run trains, be they UK or European). Why not then keep it where it is? After all, it works.

57 As with the earlier section on rolling stock, 11.9 and 11.10 point out that, despite recent refurbishment, some of the facilities “fall short of the expectations of today’s passenger”. I’m not convinced of this - not many UK passengers are likely to be familiar with the much higher (and much more expensive) accommodation for the sleeper (as distinct from sitting-up-all-night) passenger in Europe and elsewhere. The patronage of First ScotRail’s Sleepers would indicate that, by and large, passengers of whatever class of accommodation are satisfied with the service they now receive. Wholesale provision of *en suite* facilities would be a waste in my view. There might be an argument for having a small number (perhaps two in each 1st Class carriage) of Premium berths with a much higher provision of facilities, but the cost to passengers would need to be approaching double the present 1st Class ticket to justify the loss of revenue from the removal of four 1st Class berths. I question how many Premium berths at £250 or more would sell on every train.

58 The final suite of Questions.

- Q37 Yes.
- Q38 No.
- Q39 The provision of more early or late trains would surely have little impact on Sleeper patronage. After all, the point about the Sleeper is that it combines travel with overnight accommodation. Neither an early nor a late train obviates the need to sleep somewhere (and somewhere close to the centre of an expensive major city in most cases). Against this background the Sleeper offers very good value. I would not wish to see any of the current destinations of the Highland Sleeper withdrawn. Whether or not an Oban portion were introduced would be the sort of matter that a franchisee could test on a non-franchise basis (as in 32 above). The present facilities are adequate and - beyond refurbishment as required - need no further enhancement. (The only shortcoming I have found is that the provision of food in the Lounge Car is too often less than that advertised; but this is a day-to-day matter for the franchisee. Following the deplorable behaviour of National Express and then East Coast in wantonly destroying the excellent reputation built up by GNER in the area of restaurant cars, it would be a national disgrace if the only decent restaurant car on Britain’s railways were not to continue to serve haggis and whisky to weary travellers.)
- Q40 I have no comment to offer beyond endorsing the priorities set out in 12.8.

Mike Lunan
12 January 2012