

Consultation Questions

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 is a 'network business' and as such geography and 'connections' matter, and all aspects of the operation affect all others. It is very difficult to separate truly independent parts of the whole system.

There are certainly a few lines which must be very uneconomic (Kyle, Wick/Thurso, Fort William/Mallaig) which we could argue are mainly tourist lines. Here the main competition is coach travel which is faster, cheaper and greener than rail over these routes, and is further helped by the free travel for Scottish over 60's. I think these are special cases and the issues they face should not drive our overall thinking on how the franchise(s) should be structured. Their costs can more or less be isolated if we want to fund them separately.

Looking beyond those special cases at the vast majority of the network I can see that the economic/social split has superficial attractions but I would argue that it will be hard to define in a way that anyone (including the customer) will really understand and as a consequence introduce a great deal of uncertainty and bureaucracy. For example, let us take a line and stations where there is some commuter travel (perhaps marginally economic), and a need to run other services to for community reasons (social and uneconomic). Many if not most costs would quite properly be shared between the economic and the social contracts. How would we determine that split without complexity and bureaucracy or providing the opportunity for 'gaming' by the franchisee, see my comments in Q21 below? And what does it matter to the customer?

It would be a lot better to separate the operations (excluding track etc and some stations which are shared) into units which reflect the different characteristics of rail from the point of view of the actual physical operations (types of rolling stock for example) and customer need. So I would argue for

- local and commuter and shorter distance stopping trains (customer perspective - daily travel)
- faster trains between major Scottish centres, and true 'international' trains from major centres to for example London and other English cities, and ideally Brussels and Paris (customer perspective - business trips, holidays)
- sleeper services for longer routes including London, Brussels and Paris and possibly re-introducing motorail
- freight, largely long distance/international

If we split the units (and one franchisee could operate more than one) along

these lines we get the advantage that the service is a coherent item from the point of view of the customer and the operator.

On balance I can see no compelling advantage in the economic/social split suggested.

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

Q2 comments: Rail is a long term business. Investments are made for many tens of years, and customer relationships are built up over similar periods. A short term contract would lead inevitably to short-term thinking and actions by the franchisee(s) to the detriment of customers. The transport needs of Scotland, locally and internationally, should not change markedly as a result of Independence, and my view is that this is therefore largely irrelevant to the franchising process. We could even argue that if we do achieve independence it will be helpful to have some items such as rail on a stable footing while other more radical changes are implemented.

Irrespective of constitutional change I would strongly suggest that the Scottish Government should take a more proactive stance in influencing the terms and the award of the UK rail contracts which do come into Scotland with a view to increasing the links with England and Europe. This is consistent with the economic growth and low carbon aspirations.

I conclude that getting the right contracts is what matters; if they are good contracts then longer contracts (10 years+) reflect the reality of the railway and will be to the advantage of Scotland.

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

Q3 comments:

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

Q4 comments:

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

Q5 comments:

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

Q6 comments:

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

Q7 comments: Franchising can never remove from government the ultimate responsibility of bailing out a failed operator. It's just not acceptable to close down the railway, whoever is to blame. There is no such thing as 'off balance sheet'! Performance bonds should be set at a level where the parent company would feel pain if they lost it (which might be different for different ones eg a proportion of their group turnover), and hence show they are serious and committed but they don't protect the government against losses if things go badly wrong.

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

Q8 comments:

Achieving reliability, performance and service quality

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

Q9 comments:

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:

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

Q11 comments:

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

Q12 comments:

13. Is a Service Quality Incentive Regime required? And if so should it cover all aspects of stations and service delivery, or just those being managed through the franchise?

Q13 comments:

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

Q14 comments:

Scottish train services

15. Can better use be made of existing train capacity, such as increasing the permitted standing time beyond the limit of 10 minutes or increasing the capacity limit? What is an acceptable limit for standing times on rail services?

Q15 comments:

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:

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:

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

Q18 comments:

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

Q19 comments:

Scottish rail fares

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

Q20 comments: In general the rail system should be funded as much as possible by fares, and as little as possible by government. There is a strong real signal in what people are actually willing to pay for, as against what they might say they want. Equally we should take note of what they are unwilling to pay for.

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: Although some fares may be unregulated there needs to be the means to stop monopolistic behaviour, as occurs at present. Current example

Cheapest fare 0755 Inverness to Edinburgh £10.00

Cheapest fare 0755 Inverness to Glasgow £45.20

Cheapest fare 0755 Inverness to Stirling £10.00, plus cheapest fare Stirling to Glasgow £7.70, total £17.70

[these figures are typical: the actual figures have been taken from Scotrail site on 2 Jan 2012 and for travel on Weds 25 Jan]

We should also note that the 0647 and 0843 Inverness to Glasgow trains are both offered by Scotrail at £10.90.

The real issue here is Scotrail's response to competition from East Coast on this route. Taking a short-term opportunistic view (?) it uses its monopoly and the ignorance of passengers to charge them £35.20 from Stirling to Glasgow if they have travelled from Inverness, but £7.70 if they start from Stirling. Such abuse of monopoly should be explicitly banned in the franchise.

Comment 1: This example shows exactly the wrong response to competition. Scotrail does offer a good service but East Coast offers a different one (type of trains, food and services, wifi, direct links to York and London). Scotrail should compete by offering better value or addressing a particular sector of the market and not by using its monopoly.

Comment 2: Having seen this I have a considerable fear of what Scotrail might charge if there was no competition on this route.

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:

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:

Scottish stations

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

Q24 comments:

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:

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: As I understand it Scotrail are responsible for Inverness station. They can be unhelpful about East Coast trains and it may be better if the station was operated by someone independent of either.

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

Q27 comments:

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

Q28 comments:

Cross-border services

29. Should cross-border services continue to go north of Edinburgh? In operating alongside ScotRail services, how do cross-border services benefit passengers and taxpayers? And who should specify these services, the Department of Transport or the Scottish Ministers?

Q29 comments: Yes, cross-border services to the north of Scotland are a vital lifeline, both personally and commercially. The benefits to passengers and commerce include (my example is the Inverness to London route):

- rolling stock more appropriate to long distance high speed travel (passenger comfort)
- offer wifi, meals and generally wider selection of food than Scotrail (passenger choice and facilities)
- not restricted to just 2 toilets, not always both working (passenger comfort and facilities)

- through trains to for example York. In my specific case I have used this route with my disabled mother, and would have travelled by car if we had had to change

- competitive pressures, and pricing. Through trains are cheaper. I could travel on the 0755 from Inverness to York on 25 January for £26.40. Note the comparison with (largely the same train) 0755 Inverness to Glasgow at £45.20 with a change of operator at Stirling (see reply to Q21).

- opportunity to support the green agenda by not travelling by car or air

If the ORCATS revenue allocation is unfair to Scotrail then we should treat the cause, not the symptom and get it changed. We should however recognise that (as far as I am aware) Scotrail bid for the franchise with this in place, so they presumably took it into account in making their bid. This issue may be exciting to some but is irrelevant to the franchisee provided that the rules are made clear when they bid.

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: I can see no advantages. It would:

- be a problem for disabled people
- encourage the use of air and road transport where changes can be avoided
- cost a great deal more especially if Scotrail are allowed follow their current pricing policies for passengers changing between operators (see Q21)
- isolate the Highlands from the economic opportunities provided by direct links with London and England generally
- reduce competition and choice within Scotland

It seems perverse to suggest Edinburgh as the hub when Glasgow has so many more transfers.

It seems perverse to try to discourage long distance rail travel - that's what rail is good at!

- we should be trying to encourage other UK and European operators to extend their services across Scotland.
- we should encourage Scottish-based operators to operate high speed and long distance services through into Europe

Rolling stock

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

Q31 comments:

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

Q32 comments:

Passengers – information, security and services

33. How should we prioritise investment for mobile phone provision and / or Wi-Fi type high-bandwidth services?

Q33 comments:

34. How should we balance the need for additional seating capacity and retain the flexibility of a franchisee to offer first-class services if commercially viable?

Q34 comments:

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

Q35 comments:

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

Q36 comments:

Caledonian Sleeper

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

Q37 comments: A regular nightly service is essential, and this should continue to be specified.

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: I think these should be contracted separately. It needs to be refreshed (new ideas, new investment) and it is very different from the daytime services. Maybe a European operator would have the skills and long-distance perspective to offer a more attractive service.

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: Sleepers work best for long journeys.

Lowland Sleeper. I have been a regular user (in the past) of the lowland sleeper services from Glasgow and from Edinburgh. I would like to see them retained as an alternative to air travel, but I can see that the early and shorter daytime travel times make them less essential. Making it Edinburgh-only would probably kill it.

Highland Sleeper. I use this four or five times a year, from Inverness. The daytime journey time is inevitably long (8hrs on direct train), and the (~11hr) sleeper is an excellent alternative to this and to air travel. This should be kept. The rolling stock is indeed old, but generally OK. The timing is reasonable. I think a new operator could make something of this by providing ensuite facilities (at a cost, I would pay more for this) and cheaper bunk-type facilities. I would also like to see the 'motorail' idea re-examined.

The problem with the current approach is the 2 berth cabins. If you travel alone standard class you have to share with someone you don't know. It would actually be better to be in a bigger bunk room with more people, which is less daunting.

European Sleeper. Why don't we have a sleeper to Brussels or Paris?

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: