

## 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: By keeping all services under one umbrella franchise you spread the risk to the operator and to the public. In my opinion, if you “cream off” profitable services into the economic rail category, there is a greater risk that the social rail element will deteriorate or become very costly. I believe that a single franchise should balance that risk by providing an integrated service – this would not necessarily preclude working with other agencies to share in improving a social element, which could be one of the measurement metrics for awarding any franchise. This could be covered under the category of “enhanced services” offered by third parties (such as Visit Scotland, local Destination Management groups).

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

Q2 comments: The current level of 7 + 3 years seems to me a minimum to promote investment by the operator.

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

Q3 comments: I am not enough of an economist to offer an opinion on the right balance of risk to be built into any franchise contract. I do believe that something has to be built in. This also links to the response in Q1.

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

Q4 comments: A mix of fixed management fee + a profit sharing element in order to (a) provide a level of secure, guaranteed income to the franchise company, whilst (b) providing an incentive to improve and expand services. If the franchisee can rely on a base level of income, they are more likely to submit a competitively priced tender (in my opinion).

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

Q5 comments: See also answer to Q1 above. Third parties could be involved in promotional activities, in conjunction with various tourist boards and local enterprises. More of an “event management” role, rather than a day-to-day

service delivery role. There is also an opportunity for third parties to provide “on train” services for catering – certainly this could be an element for consideration in providing the sleeper service, when the catering would become an optional extra, rather than included in the service (i.e. breakfast)

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

Q6 comments: By the development of the correct KPI's, against which to measure (and potentially penalise) the contract performance. These are frequently developed post contract award, but to be really effective I believe they should be incorporated into the contract as a measurement mechanism against the prescribed output SLA's.

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

Q7 comments: I do not have sufficient knowledge to comment.

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

Q8 comments: Place at risk some elements of management fee, measured via KPI's as outlined in Q6 above.

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

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

Q9 comments: I believe it should be carrot and stick – incentivise both, but ensure the measurement criteria are factual. However, the franchisee should only be able to earn a performance bonus once the basic KPI's have been achieved 100%.

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: One system for the whole country.

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

Q11 comments: Good customer service – if you treat customers reasonably, they will respond. For example, if the train is running late, let people know why – but don't fob them off with excuses. Lack of information is one of the biggest issues that any passenger, travelling on any public transport system,

has.

Proactivity is another key element – if something has gone wrong, how can the on board team alleviate the potential problems which will ensue for passengers affected?

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

Q12 comments: That is difficult as it can lead to a culture of allocating blame – e.g. Network Rail's fault, not the operator's fault. Therefore, I believe the balance should be set at a realistic target level, which minimises the need for constantly monitoring (a bit like the tit-for-tat system operated by insurance companies which saves them money).

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: This could be allied to both (a) an incentive reward for the franchisee, and (b) the involvement of third party providers to achieve improvements.

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

Q14 comments: No further ideas.

### **Scottish train services**

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

Q15 comments: For commuter trains involving journeys of <1 hour, I think you could say that standing is permitted for the duration of the journey. On the London commuting trains it is a bonus to get a seat!

For longer distance trains I believe you have to consider a different criterion – say 30 minutes.

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: The challenge is obviously good timetabling and good adherence to timetables. I think it would be wise to introduce any such system on a limited trial basis before committing to it whole heartedly. I personally would find that an increased need to use interchange stations

would deter me from travelling by rail. For example, if I have to travel to London, with the only option being a change at Edinburgh, I shall fly instead. I would add that I currently use rail 100% of the time for this route. By the same token, when travelling to Glasgow I often take the option of the bus, rather than change at Perth.

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: Not sure – you could specify a minimum level, but kept under review in the light of passenger statistics. Review periods would have to be set, say after 6 months of contract start date and then on an annual basis subsequently.

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

Q18 comments: I think that is developed as an “output” from the various responses to be collated from this questionnaire.

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

Q19 comments: Set at least 1 KPI against innovation – but ensuring that the innovation is agreed prior to implementation

### **Scottish rail fares**

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

Q20 comments: Balance between passenger affordability (to maintain rail passenger numbers), cost to the taxpayer (in the form of subsidies) and social service requirements (in line with one overall franchise which covers all rail services).

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: See comments under 20. Above.

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: This is a question of economic strategy, beyond my level of expertise.

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: Most people do not have a choice of when to travel, therefore it is unfair to put too much emphasis on peak travel costs. I don't have sufficient knowledge of how this currently impacts on off peak passenger numbers – if it has a positive impact, then it makes sense to offer incentives in order to fill trains, but I don't think it has the potential to alter passengers travelling behaviour.

### **Scottish stations**

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

Q24 comments: I don't know enough about the network and its stations to make any realistic comment.

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: This could lead to improvements, if there is some form of joint marketing/joint ticketing arrangements developed. I believe there should be limits on this activity – if it involves further “outsourcing” of basic services, it can lead to increased costs to the passenger, as there are more organisations which have to make a profit within the chain of service delivery. Having said that, if “outsourcing” makes a service more viable, then it should definitely be considered, e.g. catering options on the Sleeper services

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: If you make a separate organisation responsible for the management and maintenance of stations, how do they make their money? Does the rail franchisee then become the “customer” of the company maintaining the stations? I am not sure whether it would work, but if it were implemented, there would have to be “back to back” contracts and KPI's for both the rail operator and the station operator.

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

Q27 comments: I personally believe that local communities are more interested on where the trains are going to, whether they are on time, etc. I think they are unlikely to become involved in supporting their stations per se – mobilising local communities in this area would be challenging.

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

Q28 comments: Toilet facilities at all stations. If no station attendant, then need telephone communication with “a person” to provide update on information. Some provision for dealing with inclement weather at stations – e.g. snow clearing.

### **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: I would start off by saying that I find the term “cross border” quite incendiary! It smacks of “nationalist” considerations rather than “economic” ones. This may be only a perception on my part, but the language used needs to be considered (and improved).

My only experience of this is on the East Coast route between Inverness and London. If I had to change in Edinburgh, I would almost certainly opt to travel by air instead.

Having said that, I do appreciate that the economics of the service have to be considered, and it ties in with the concept of “hubs” – in which case the key is the timetabling and the timekeeping of services. For people travelling on business, these links to the South are vital, and even with an SNP government, I believe we have to consider the major business links which Scotland has with England.

With the development of the off-shore green energy industry in the North of Scotland, these links could be even more important in the future. The country doesn’t stop at the Central Belt! There are major opportunities for businesses to develop in the North, and for them direct links to the South are very important.

In terms of who should specify the services, I believe there should be “cross border dialogue” between all parties – governments and rail operators.

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 don't believe that these services should terminate at Waverley – see response to Q29 above. I don't see the benefits to the rail service.

However, if it is decided to go down this route, then before any decision is taken I believe you have to consider developing Waverley Station into an environment more akin to an airport, with some vastly improved passenger facilities.

### **Rolling stock**

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

Q31 comments: Outside my area of knowledge, therefore no comment to make.

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

Q32 comments: Toilet facilities (ideally CLEAN toilet facilities) on all trains. On longer distance trains there should be provision for cleaning of these facilities somewhere en route.

Catering, at various levels, is expected by today's passenger, even if it is only for a drink and snack. For longer distance trains, more comprehensive catering facilities should be provided.

### **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: I would see this as a “nice to have” rather than a “necessity”. For longer distance trains it is more important, especially for business traffic.

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: For commuter journeys of < 1 hour, I think you could dispense with first class. For longer journeys, it is more of a requirement, both in terms of comfort and ability to work whilst travelling. Without knowing the statistics of usage, I cannot comment on allocation of seating capacity within first class, although I do believe that some of the longer distance trains have too much space allocated for first class.

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

Q35 comments: I think that is a step too far in prescribing how people should behave. There is perhaps room for introducing such a ban for late evening trains serving local areas, e.g. within the commuter belt.

For anyone causing offence due to drinking, the railway staff have the option to call the Transport Police and have the offending passenger(s) removed at the next station – this could be more rigorously enforced.

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

Q36 comments: Just by being proactive and advising travellers of issues affecting their travel. There are good screens providing information at stations, and if this supplemented by timely voice announcements, that fits the bill as far as I am concerned.

### **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: I believe it is NOT just a commercial matter for the train operating company. They 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: NO. By including the sleeper in the main franchise, some of the costs can be cross subsidised by other more profitable services.

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: I use the sleeper service between Aviemore and London frequently – the majority of use is based on business travel, although I do also use it for pleasure travel, as does my family. Scotland does not stop at the Central Belt!

- (1) The appeal to the business traveller is that you wake up in the middle of London, ready for the start of the day. If you travel by air, you either have to travel the day before and stay overnight with the cost that implies, or arrive into the centre of town by 10.00 am, instead of 08.00 am on the sleeper. This criterion is not served by later or earlier trains from the North of Scotland to London. Without the sleeper, my work as a consultant to a London-based company would cease, due to economic factors, and my spending and input to the local economy where I live would certainly be curtailed.
- (2) If the service is unviable, then at the very least it ought to be run on a reduced frequency (e.g. Sunday, Wednesday, Friday) – at least that way, business travellers can plan their journeys around the timetable. I do not propose this as an ideal option, just a point for consideration. This option would have to be operated in combination with (4) below.
- (3) If there has to be a reduced service, then why not bring the Edinburgh and Glasgow passengers on board the sleepers which have travelled from further north, rather than cancelling the northern services in favour of those operating from the Central Belt?
- (4) At present, sleeper crews travel with the train for the whole duration of the journey – it might improve the economics of running the service if the Scottish crews travelled to, say, Carlisle (or some half way stage), and then swapped over with the English crews for the remainder of the journey (and of course the reverse pattern for the journey London to Scotland). That would remove the costs of hotels/hostels for the crews, and have the added bonus of them being able to return home after their work shifts.
- (5) The sleeper service could be much better marketed, especially in combination with Visit Scotland, and used as part of a holiday package – the main target market for this has to be England. This could be exploited especially during the winter months, in conjunction with large hotels which want to stay open and fill their rooms. Also offering holiday packages mid-week would help utilise the trains when they are less busy.
- (6) Market the value of the sleeper for its convenience, centre-to-centre travel, no restrictions on luggage, no security such as at airports, overall competitive pricing (once you add on local transport costs to get to an airport at either end of the trip), friendly service, catering options available, etc.
- (7) As part of third party involvement in rail services, catering could become an optional extra – by that I am referring to the breakfast service, as there is already a catering service in the evening. All catering could be focused on the Lounge Car, which would reduce the number of sleeper attendants required. This service could be provided either as a “sit in” service by booking a space for breakfast, or a “takeaway” service to collect food and eat it in the cabin.
- (8) Certainly any improvement in the fabric of the trains is to be welcomed, especially if they are to keep pace with the competition of air travel.

### **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: I don't have sufficient knowledge to make a comment on this.