20 February 2012

Rail 2014 Transport Scotland Buchanan House 58 Port Dundas Road Glasgow G4 0HF

Dear Sir/Madam,

Rail 2014 - Public Consultation

Our Ref: SES - Rail

Please find attached the SEStran response to your Rail 2014 Questionnaire as well as a completed 'Respondent Information Form'.

SEStran wishes to raise a number of issues relating to the forthcoming ScotRail franchise and the investment during Control Period 5 (CP5; 2014 – 2019) that cannot readily be covered in answers to the set questions. I will therefore cover these issues in this letter and ask that you will take full cognisance of our comments.

Many of the SEStran's concerns have been raised in previous discussions and correspondence with the Scottish Government and Transport Scotland and/or at the SEStran Rail Forum of 20 January this year which was also attended by Transport Scotland.

We have serious concerns about the capacity of the rail network and rolling stock to cope with peak passenger flows into and out of Edinburgh. Passenger growth in the East of Scotland local network is anticipated to be twice that of the Scottish network in general. Furthermore, our understanding is that at the end of CP5, the average passenger loading in the busiest morning peak period is expected to be around 99% of seating capacity even when taking account of 'committed' investment like EGIP. This means that some individual trains will be seriously overcrowded and we would therefore expect to see a significant investment programme in train capacity (linked with track capacity improvements and platform lengthening as relevant) to ease this situation.

We also feel there are significant investment opportunities in the SEStran area to make rail take a greater share of the overall travel market, not least in respect of travelling to work.

Four schemes in particular have been discussed with Transport Scotland for some time:-

- The reopening of the line to Levenmouth for freight and passenger traffic. This urban area of nearly 40,000 people is well within commuting distance to Edinburgh and also has significant industries that lend themselves to greater use of rail-freight.
- The provision of a station at Winchburgh to serve a future population of around 10,000 people. This station would be fully funded by the developer and should create an income stream to the operator well in excess of the operating cost. A new station here would substantially reduce road congestion which would otherwise be generated by the new development.
- The provision of a local rail service to Dunbar and Berwick-upon-Tweed with new stations to serve East Linton and the larger Eyemouth urban catchment area.
- Examine the potential of a semi-fast Edinburgh to Newcastle service.

We have also for several years highlighted the fares anomalies between the Strathclyde area and the other Scottish cities. While this issue is covered in the questionnaire response, we wish to re-emphasise that SEStran would expect to see significant progress made over the next five years towards ensuring that fares in the SEStran area (taking account of distance travelled) are no higher than for those in the West of Scotland.

In the same manner, we would also expect to see an improvement to early morning and late evening/week-end services in the SEStran area so that these are more in line with those provided in Strathclyde local network.

This comparison with Strathclyde should also extend to cross-city services. We feel there is scope in the future to link up services to the East and West of Edinburgh much beyond the current linking of the Newcraighall and Fife Circle services, and this opportunity will be greatly enhanced with EGIP and most local services into Edinburgh being electrified.

We would of course be happy to discuss all the issues raised in our response in much greater detail sometime in the future. Should you wish clarification on any of the issues raised, please contact myself (0131 524 5152 alex.macaulay@sestran.gov.uk) or Trond Haugen (0131 524 5155 trond.haugen@sestran.gov.uk).

Yours sincerely

Alex Macaulay
Partnership Director

Cc Cllr Russell Imrie, Chair of SEStran

Respondent Information Form and Questions

<u>Please Note</u> this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

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	Yes, make my response and name available, but not my address		
(d)	issues you discuss. They may wish to contact	will share your response internally with other Scottish Government policy teams who may be addressing the les you discuss. They may wish to contact you again in the future, but we require your permission to do so. you content for Scottish Government to contact you again in relation to this consultation exercise?	
	Please tick as appropriate	X Yes No	

SEStran response to Consultation Questions

Procuring rail passenger services

1. What are the merits of offering the ScotRail franchise as a dual focus franchise and what services should be covered by the economic rail element, and what by the social rail element?

Q1 comments:

In principle, there could be benefits in separating 'economic' and 'social' rail elements.

It must however be questionable if a sufficiently large proportion of the ScotRail network is sufficiently 'economic' to enable an operator to instigate profitable 'additions'. We understand that the Edinburgh-Glasgow main line service may be the only service operating at a profit.

It may also be the case that the operation of the various services is integrated to such an extent that it would be complicated and 'bureaucratic' to start separating them into smaller 'economic' and 'social' categories.

We do however accept it would be beneficial to get increased clarity on the various operational aspects (e.g. operating costs, access charges, patronage, income) so we would welcome that as far as reasonably practical, the network is divided into reasonably sized sectors which could be as follows:-

Inter-urban express network (Glasgow/Edinburgh/Aberdeen/Inverness)

Local SEStran (East of Scotland) network

Local SPT (West of Scotland) network

Rural services

Sleeper service (if still part of the main ScotRail franchise)

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

Q2 comments:

Full recognition must be taken of the general franchise consultation undertaken by the DfT in late 2010.

In short, the conclusion from that exercise was that, in general, longer franchises delivered the greater benefits through additional investments by the franchisee. However, adequate safeguards would have to be built into longer franchise agreements, in particular taking account of the level of anticipated/actual growth in the national economy. The conclusions from the DfT exercise should be equally valid for the ScotRail franchise unless it is felt that there is little scope for additional investment in the ScotRail network by the franchisee, whatever the length of franchise offered.

We see advantage in franchise periods fitting in with Network Rail Control Periods, to allow simultaneous detailed and co-ordinated consideration of both infrastructure and service requirements and provision. Assuming Control Periods continue to be 5 years (with CP5 commencing 2014), franchises should desirably run for 5,10 or 15 years.

We would however argue that a longer franchise should have a built in 'break- clause' dependent on performance.

It could be concluded from the consultation document that the Government would like to see a less detailed franchise specification, with bidders coming forward with innovative bid proposals. This, however, could only be realistically achieved through a longer franchise period.

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

Q3 comments:

In general, the operating cost and revenue risks (the latter within the fares parameters set by Transport Scotland) should rest with the operators.

As is also the thinking within DfT for forthcoming franchises, there should be a linkage between revenue risks and National Economic Performance built into the franchise which will encourage the operator to take greater risks to the benefit of the taxpayer without the worry of the wider economic climate beyond their control.

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

Q4 comments:

With the safeguards against a downturn in the national economy built into the franchise, it is

only reasonable there should also be a profit-sharing element to reflect significant growth in the national economy.

However, the incentive to the operator to continually enhance performance must not be taken away.

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

Q5 comments:

Other than community involvement in enhancing station facilities (which should be encouraged), the concept of 'Community Rail' has not been tried in Scotland. However, in light of the apparent success of some of these schemes in rural parts of England, there may be case for trialling a scheme in Scotland should the right environment exist.

In general, third party involvement in passenger rail service operations should be welcomed where benefits are apparent and there is no disadvantage to passengers.

However, any third party resources should as a general rule not be seen as a substitute for existing resources.

Should resources be made available to Regional Transport Partnerships and Local Authorities, they should be encouraged to invest in facilities to enhance rail operations where there are clear additional benefits to the public and the authority. It is however important that relevant public sector organisations should always be fully consulted on rail matters (operations and infrastructure) that could or will have an impact in their area.

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

Q6 comments:

SEStran has insufficient background information to comment in details on this issue but incentive measures should be geared towards passenger improvements and reduced costs to the taxpayer (although these may not always complement each other).

The franchise agreement should aim at a reasonable balance between penalties for underperformance and additional payments for performance significantly above the basic franchise requirements.

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

Q7 comments:

Experience from previous UK franchises (in terms of safeguards and the relevant cost to the taxpayer) should be the key.

There should however be a 'default operator', perhaps in partnership with Directly Operated Railways/DfT, in a position to step in should the incumbent operator 'walk away' from the contract.

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

Q8 comments:

Subject to achieving the type of balance set out in our comments on Q6, sanctions should be linked to operational performance levels and to a possibly simplified Squire regime and should largely be in the form of financial penalties.

However, as already suggested by The House of Commons Transport Select Committee, franchise break-points should be inserted where contracts may be terminated if performance is below an acceptable level.

Achieving reliability, performance and service quality

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

Q9 comments: In short, both.

10. Should the performance regime be aligned with actual routes or service groups, or should there be one system for the whole of Scotland?

Q10 comments:

The relevance of the various performance indicators will vary considerably from one type of route to another so there will have to be differences in the performance regimes.

However, it is also the case that services are interlinked to a great extent so it may not always be straight forward to link performance indicators with individual services.

One possibility may be to link certain elements of the performance regime with individual routes whereas others could be best aligned to the various service categories suggested in our answer to Q1.

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

Q11 comments:

Performance should not only be aligned with punctuality and reliability but also with Passenger Satisfaction Surveys along the lines of those undertaken by Passenger Focus

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

Q12 comments:

Timetables must be set realistically so that they can be relied upon but the current practice of building in 'excessive' slack for the last leg of the journey before arriving at the terminus station must be modified.

SEStran strongly supports the idea that there should be journey-time performance measures at key stations along the route and not only at the end station.

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:

Some form of inspection and Service Quality Incentive regime is required and should cover all aspects (as far as reasonably practical) of station and service delivery that directly or indirectly affect the passenger and should be irrespective of service deliverer.

In light of experience over the period of the current franchise, consideration should be given to simplification of the categories covered by SQUIRE, with a concentration on issues which have consistently been shown to be of greatest importance to passengers.

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

Q14 comments:

The existing SQUIRE regime is a reasonable starting point but account could also be taken of the annual Customer Satisfaction Survey by Passenger Focus.

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:

We understand there are legal limits regarding train standing capacity.

However, the current '10 min rule' is only a 'desirable target' by the Government and is regularly breached on local services into Edinburgh and also on longer distance inter-urban routes. Passengers would also object to not getting access to trains just because standing would exceed 10 mins.

In practical terms, individual trains will occasionally be overcrowded but if this occurs on a regular basis (and the 10 min. rule may be appropriate for this), the franchisee must demonstrate that appropriate action is taken to deal with the problem. This should not include local fares increases to suppress demand.

Many passengers do however wish to stand rather than sit in 'crowded' seats .. so the rule could be that 'trains should not, on a regular basis, carry more passengers than there are seats for periods of 10 mins. or longer'. It may also be that there should be stricter 'overcrowding rules' for long-distance inter-urban and rural routes.

Higher level of overcrowding may be tolerated at peak periods on local services.

SEStran is however concerned that average loading of peak local services into Edinburgh at the end of control period 5 (2019) is anticipated to be 99% (significantly higher than for West of Scotland local services), which means that many trains will experience regular overcrowding well above this. East of Scotland local services are already experiencing the highest growth level in Scotland and this is expected to continue for many years.

Urgent measures are therefore required to alleviate this. These should extend beyond the current EGIP programme and must also cover Fife and East Lothian services and should include both service frequency and train lengths as well as new additional services.

16. Should the number of services making use of interchange stations (both rail to rail and rail to other modes) be increased to reduce the number of direct services? What would be the opportunities and challenges of this?

Q16 comments:

Interchanging is in general a disincentive for travelling by public transport and direct longer journeys between main centres of population (where there should be a reasonable level of demand) should be the first option.

Should the provision of shorter but more frequent journeys create increased travel opportunities by interchanging, this may well be a favourable option. However, it would have to be a balance between convenience, journey opportunities and the level of travel demand.

The ease of interchange at the relevant stations would also have to be improved, with clearer advance guidance for interchanging passengers, better co-ordination of train services, better signage, and improved waiting facilities.

For local services in the SEStran area, we would strongly argue for an increase in the number

of cross-Edinburgh journeys rather than having to rely on interchanging at Waverley. A greater proportion of total employment now exists on the edges of the city, leading to increased demand for cross-city travel. There should be increased scope for this to happen following EGIP and the electrification of most of the Edinburgh local network.

The current linkage between the Fife Circle and the Newcraighall service must continue, following the extension of the latter to the Borders.

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:

The service level should be set to meet the Government's objectives and aspirations, in particular when taking account of the relatively high level of subsidy required.

A longer franchise would however need to be more flexible, with the franchisee required to respond to changes in the level of demand and changes to infrastructure.

It may therefore be that, over time, the franchisee will be given greater flexibility in respect of frequency and journey time but this must be customer focused and fulfil the criteria in terms of meeting travel demand.

Aspirations by the government for journey time improvements should not be at the expense of reliability and scope of services (e.g. the opening of new stations to serve new population centres).

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

Q18 comments:

Beyond our response to Q17, this should be based on best practice from previous and current franchises in Scotland and the rest of the UK. We would tend to support less heavily specified contract, to allow the greater flexibility noted in Q17.

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

Q19 comments:

As for our comment to Q6, SEStran has insufficient background information to comment in details on this issue but incentive measures should be geared towards passenger improvements and reduced costs to the taxpayer although these may not always complement each other.

Scottish rail fares

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

Q20 comments:

A fares policy must be a balance between, on the one hand, affordability so that it does not form a barrier to travel and will encourage modal shift from the car in particular, and on the other hand, safeguarding revenue so that it does not place an undue burden on the taxpayer.

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:

Any regulated fare types must apply to all of Scotland and not only to a particular area.

There must also be greater equalisation in the level of fares (relative to distance travelled) throughout Scotland. Currently, some fares, in particular outwith the Strathclyde area, are significantly higher than elsewhere (primarily Strathclyde) and this must be addressed.

It is important that commuter peak fares (including season tickets) are regulated to protect passengers from excessively high fares since commuting travel demand is much less reactive to fares increases than other travel purposes.

We would also argue that 'open tickets' (single, day return and off-peak return) should be regulated, with unregulated fares being primarily the 'advanced' fares, Club 55 etc.

The practice of two individual fares (A to B and B to C) being cheaper than the one individual fare (A to C) of the same 'fare type' must be ended. The system must be sufficiently transparent and simple so that the passenger should always travel in the knowledge that he/she is getting the 'best value' fare for the journey in question.

The current franchise operator participates in the 'One Ticket' multi-modal integrated ticketing system in the SEStran area and the next franchisee should be compelled through the franchise contract to continue this arrangement.

A further fares issue should be the application of a unified Rail Concession scheme for Blind and Partially Sighted People. Currently, there are a number of smaller Local Authority schemes, all varying in scope and administrative arrangements. It would be fairer and more efficient if this concession becomes a national scheme funded and managed by the Government, (as is the Concessionary travel scheme applying to buses).

22. How should we achieve a balance between the taxpayer subsidy and passenger revenue contributions in funding the Scottish rail network? At what rate should fares be increased, and how feasible would it be to apply higher increases to Sections of the network which have recently been enhanced?

Q22 comments:

The balance between the taxpayer subsidy and passenger revenue contributions must reflect the Government's financial policy and the social, economic and environmental objectives it wants to fulfil.

The fares increase mechanism should be used to equalise regulated fares throughout Scotland (relative to distance travelled and possibly, but more controversial, the quality of service). Ideally, all fares deemed too high should be lowered but more realistically, there could be a range of fares increase differentials applied over a number of years.

Should the current formulae of RPI + 1% continue to apply, it may be that relatively high fares could be restricted to RPI – 1% and those on the low side could increase by up to RPI + 3%.

It would be difficult to distinguish clearly what journeys should be 'targeted' for higher fares due to improvements .. and would such 'premium' fares be returned to 'normal' levels after a few years? It could also be argued that, over time, the whole network will benefit from improvements (e.g. new rolling stock) so all fares could be deemed to be 'premium fares'.

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:

Any consideration to increase the differential between peak and off-peak fares should be accompanied by a review of the shoulder-peaks. Should there be an off-peak period before peak commuting start?.. and should the off-peak following the peak period start earlier in order to encourage more commuters to avoid the 'peak of the peak' trains? Alternatively, should there be a new 'shoulder-peak' fare? .. although this would make the whole fares system even more complicated.

Morning Peak and Off-Peak time-periods should be linked to the time the train arrives at the relevant City Station .. rather than the time of boarding the train.

Scottish stations

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

Q24 comments:

Stations should be provided where sufficient demand exists and there is a need to review

station provision to serve new housing and business area developments.

Equally, there should be a bolder approach to closing stations with very low usage and where there is little scope to increase usage. However, serious consideration should always be given to improve service levels and station environment before considering closure.

It should be acknowledged that the 'usage criteria' for rural stations will be lower than for stations in and closer to urban areas and, also, a rural station will in general generate a higher fare per passenger than an urban stations.

Any new stations will in general have an impact on journey time and this has often been used as an argument against investing in new stations. However, we tend to support the view that the balance between journey times and access to the network (through new stations) has over the past decade or so swung too much towards reducing journey times. A full open debate should take place on this issue.

In the SEStran area, we have argued for some time the need for additional stations to improve access to the network and additional services (e.g. Newburgh, Levenmouth Rail, East Linton, Reston, Winchburgh, Grangemouth, Bonnybridge and Cambus) and we would welcome further discussions with Transport Scotland in respect of these.

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:

Initiatives by third parties to fund stations or services should be encouraged, provided that they are additional to core funding and not a substitute for it.

However, the Government's funding allocation to Local Authorities and RTPs makes it much less realistic for these bodies to invest in rail although private rail investment should be always considered where major housing and business developments are proposed reasonably close to the rail network.

In this respect, we would welcome approval for the provision of a Winchburgh station, which would be paid for in full by the developer and would serve a future population of around 10,000 people.

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:

There will always be a divided role between the station owner (Network Rail) and the main rail user (Franchisee).

It could be argued that the franchisee should play a much greater role than at present, to the extent that he should be encouraged to invest significantly in station infrastructure but linked to a residual capital value reimbursement at the end of the franchise.

It is anticipated that all Network Rail owned Scottish stations (other than Edinburgh Waverley and Glasgow Central) will be managed by the franchisee. SEStran would ask that this should also include Dunbar station which is currently managed by East Coast, in particular since ScotRail services now operate to Dunbar and their presence there is likely to increase further in the future. This is likely to enhance the service for passengers, for example by the inclusion of the station as part of the ScotRail passenger security network.

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

Q27 comments:

Consideration should be made to enhance and widen the current 'Adopting a Station' scheme towards what is in place in parts of England. However, this should not be a substitute for investment by the franchisee or Transport Scotland.

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

Q28 comments:

A starting point would be the existing Network Rail classification but perhaps with a greater differentiation between urban and rural stations.

However, your suggestions in Table 6 of the consultation document are not unreasonable (Principal, Commuter, Interchange, Destination, Tourist and Other) but facilities must also be linked with the level of usage.

Facilities considered should include waiting/shelter facilities, toilet facilities, ticketing arrangements, manning level, security, information provision, accessibility, car parking and cycling facilities.

Cross-border services

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

Q29 comments:

This is essentially a matter for DfT and we are not convinced of the benefits outweighing the

disadvantages of radically changing the present arrangements. However, the Scottish Government should continue to have a strong say (or perhaps argue for an even stronger influence) in the formulation of the relevant DfT franchises.

SEStran would support the continuation of Anglo Scottish services beyond Edinburgh. The market (North and West of Edinburgh) is not only London journeys (where rail is continuously increasing its market share) but, perhaps more importantly, journeys to north of England/Yorkshire.

The DfT will most likely invest in hybrid (combined Electric and Diesel) trains so the scope of continuing through services will probably increase.

Long Distance Anglo-Scottish trains are also of considerably higher quality and have a much higher seating capacity than ScotRail inter-city trains and can much better cope with significant peak demands (in particular on Fridays out of Aberdeen)

It must be doubtful if the 'north-of-Edinburgh' elements of the current East Coast and Cross Country franchises actually make a profit so the financial benefits of these services (i.e. North and West of Edinburgh) transferring to ScotRail must be questionable.

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:

In addition to the above, this would put a greater strain on the operation of Edinburgh Waverley station

Rolling stock

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

Q31 comments:

It is clear that there will be a significant increase in demand for rail travel over the next decade, particularly in the SEStran area.

To cope with this increase, it must not be automatically assumed that 'cascaded' rolling stock (at the end of the 'chain') following the introduction of new electric rolling stock for EGIP, should be scrapped.

Serious consideration must be given to the refurbishment of diesel rolling stock in order to strengthen existing services and introduce new services to meet increased demand. This could for example assist the re-opening the line to Levenmouth for passenger and freight

traffic.

Additional electric rolling stock may be required, beyond that provided through EGIP, to meet added demand and provide new services on the existing electrified network, e.g. new services to Dunbar and Berwick upon Tweed and a semi-fast service to Newcastle.

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

Q32 comments:

Facilities must be linked to type of service (urban local service, inter-city and rural), but consideration must be given to the wide range of facilities that passengers expect in a modern rail environment, including trolley service, space for luggage, cycle storage and wi-fi provision. These ought to be included as part of the franchise contract, and should at least be introduced/improved during the franchise.

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:

These are essentials in a modern day environment and are particularly required to encourage younger people and business travellers to travel by train.

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:

First class should be provided on inter-city services where financially viable but there must be flexibility so that the balance between first and standard seating capacity can be altered relatively easily.

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

Q35 comments:

Would, on balance, a blanket alcohol ban encourage or discourage rail travel? We are concerned it may be the latter.

We would however support reasonable measures to eradicate 'over-consumption' of alcohol on trains.

Would it be feasible to only allow consumption of alcohol when purchased on the train? Could 'alcohol-free' coaches be considered, perhaps in combination with 'quiet coaches'? We recognise that enforcement of any alcohol ban could cause problems for train staff.

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

Q36 comments:

The greatest opportunities probably lie within the mobile phone market.

There must also be greater emphasis on the provision of information 'when things go wrong'.

Effective arrangements must be put in place for rapid, clear and consistent provision of information to staff on trains and at stations, and then for communicating that information to customers.

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:

We understand that there are around 300,000 trips on the sleepers each year. Total operating costs of £21 millions + access charges to Network Rail may mean that average cost per passenger is around £100. It would therefore not seem unreasonable that there could be opportunities to make a near commercial service out of the sleepers, or at least only requiring a relatively modest subsidy.

We therefore strongly believe that the sleeper service should continue to be specified in the ScotRail (or a separate) franchise.

The announcement of a likely £100 million investment in sleeper rolling stock should both safeguard the provision of future sleeper service(s) and also create a greater opportunity to enlarge the market in competition with air travel in particular.

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:

There is perhaps insufficient interaction between provision of sleeper services and other ScotRail services to readily justify a combined franchise.

Since all locomotives and coaches for the sleeper services are separate from the main ScotRail services, it may be that the benefits of a separate sleeper franchise may outweigh any disbenefits.

Arguments for keeping them together would include staffing at Scottish termini and the marketing of the sleeper services in Scotland.

However, staffing in London and marketing in England could perhaps be better undertaken by someone else.

- 39. We would be interested in your views in the level and type of service that the Caledonian Sleeper Services should provide. Including:
 - What is the appeal of the Caledonian Sleeper Service, and if there were more early and late trains would the appeal of the sleeper services change?
 - What is the value of sleeper services to Fort William, Inverness and Aberdeen and are these the correct destinations, for example would Oban provide better connectivity?
 - What facilities should the sleeper services provide and would you pay more for better facilities?

Q39 comments:

We would require more detailed information (i.e. division of costs and patronage between the 5 different sleeper services) in order to provide much further comment.

There would of course be social issues attached to any withdrawal of sleeper services (to Fort William in particular) and any concentration of terminating all sleeper services in Edinburgh would have to be linked with a closely integrated day service between Edinburgh and Aberdeen, Inverness, Fort William and Glasgow, both in terms of timetable and ticketing and perhaps also in terms of the provision of on-train catering facilities.

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:

Possible KPIs could include

Modal share Rail/Car on key commuter corridors during peak period
Passenger Kms per metric tonne of CO2 (at both primary and secondary source of power supply)