



Consultation Response - Rail 2014

VisitScotland welcomes the opportunity to submit a response to the above consultation.

According to recent research 15% of UK visitors to Scotland arrive by train. As the consultation document notes, "demand for ScotRail passenger services has increased by 25.5% over the last 7 years and this demand is expected to continue to grow" - a significant proportion of this demand is likely to be from domestic visitors traveling around Scotland, or from international visitors choosing to explore the country once they are here.

The challenge raised by increasing demand on rail services will be to balance the need for developing the industry in a sustainable way, with the demand from visitors for quicker, easier access. All VisitScotland activity has sustainability at its heart - as an industry, tourism touches every part of the country. By looking to extend the tourism season and increase access to more remote, rural locations, VisitScotland is committed to making Scotland one of Europe's most sustainable destinations. VisitScotland would encourage that any new transport strategy will enable Scottish tourism to grow sustainably.

While we appreciate that the consultation raises some very specific issues relating to procuring rail passenger services, rail stations, and the financial arrangements due for renewal, the importance of the rail network for visitors means VisitScotland's response focuses on those areas we see as crucial to tourism.

With this in mind, VisitScotland supports Transport Scotland's commitment to creating "a passenger-centric, cost-efficient, and significantly, better integrated railway."

Background

VisitScotland, as Scotland's National Tourism Organisation, has a strategic role to develop Scottish tourism in order to get the maximum economic benefit for the country. It exists to support the development of the tourism industry in Scotland and to market Scotland as a quality destination.

Tourism is crucial to Scotland's cultural and economic well-being. It sustains a great diversity of businesses throughout the country, with a recent independent report valuing tourism at £11 billion for the economy. Tourism employs over 200,000 – 9% of the Scottish workforce - provides jobs in the private and public sectors, and stimulates the regeneration of urban and rural areas.

One of the Scottish Government and VisitScotland's key ambitions is to grow tourism revenues and make Scotland one of the world's foremost tourist destinations. This



ambition is now common currency in both public and private sectors in Scotland, and the expectations of businesses on the ground have been raised as to how they might contribute to and benefit from such growth.

Network Rail's Route Utilisation Strategy

In January 2011, VisitScotland submitted a response to Network Rail's consultation on its Route Utilisation Strategy. That response focused on the following areas, which VisitScotland believes must be considered when re-tendering, or making improvements to, rail provision in Scotland:

Integration with other transport modes

Scotland's transport network is obviously invaluable for visitors, and it is our firm view that future delivery and investment in the network must be strategically led and focused on the 'bigger picture.' Integrating rail delivery with other transport modes is crucial to this strategic approach, and VisitScotland encourages all parties involved in the provision of transport services to work in partnership to develop transport links that will enhance the visitor experience and the reputation of Scotland as a must-visit, must-return destination

VisitScotland recognises that frequency and timetabling of services are key factors in defining visitors' movements throughout Scotland and urges that consideration be given to improving and enhancing these.

Investment: enhancing the visitor experience

- Improving reliability and efficiency

Reliability and efficiency of transport service is paramount for visitors. As discussed above, VisitScotland welcomes greater integration between providers to enhance the visitor experience. This will evidently have a knock-on effect on journey times, and we would also welcome consideration of improving these so that visitors can travel through Scotland as quickly and safely as possible.

- Improving quality

VisitScotland would stress that investment in improving the facilities for passengers is of paramount importance in any future development.

For example, in more rural areas or areas in which mountain biking or recreational cycling are important to locals and the local economy, providing bike-racks / storage facilities would greatly improve the consumer experience. Other facilities in increasing demand include Wi-Fi availability on all services.



The provision of better quality facilities like this has the potential to impact positively on Scotland's reputation as a tourism destination, and indeed may work to encourage more people - both visitors and locals alike - to choose rail over travelling by car. Similarly, VisitScotland would welcome and encourage collaboration between the transport and tourism businesses, for example through the creation of 'package' deals - rail fare, accommodation and entry to an attraction for example. Through initiatives like this, the rail network would not only encourage repeat consumers, but also repeat visits to particular areas, therefore having a direct and positive economic impact for local economies.

- Improving coverage

VisitScotland welcomes the discussion of provision of new routes, particularly in rural areas, and of improvements to the existing rail infrastructure. In regard to this, we would particularly highlight the importance of a quicker Scotland-Anglo service. According to a recent Tourism in Scotland report, more than 12m visitors arrive in Scotland every year from the United Kingdom and Ireland, spending £2.812 billion - any improvement in the service therefore has the potential to further increase the economic benefit for Scotland available from this important market.

Investment in capacity is also important and VisitScotland urges Network Rail to consider increasing capacity of Scotland's rail network. Capacity issues are directly related to the tourism industry's desire for more effective general capacity utilisation in a bid to grow tourism revenues.

With an increase in demand, more regular and serious capacity constraints will result, particularly on key routes. Therefore moves to accommodate this extra demand will undoubtedly help maximise the economic benefit available.

VisitScotland's response

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?*

Offering the Scotrail franchise as a dual-focus franchise would ensure that traditional "honeypot" locations in Scotland are identified as key economic drivers, and essential to the ongoing development of Scotland's infrastructure.

On key lines visitors would benefit from a high level of service provision, ease of access to services and should hope to take advantage of exceptional "value-adds" on board



facilities, including broadband (see below), adding to the quality of visitor experience in Scotland.

VisitScotland would encourage every effort to ensure, however, that those lines under the "social" heading would not suffer from a lower level of service or significantly higher fares, putting users of those services - both locals and visitors to the area - at a substantial disadvantage.

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

There is the possibility that shorter franchise contracts could make operators hesitant to invest in the infrastructure required to operate a high level of service. Awarding longer-term contracts would allow potential franchisees to assess the current state of rail provision in Scotland and the best methods to improve this for the future.

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

VisitScotland believes third party involvement in the provision of rail services is a good and relevant option to bolster revenues from the private sector to the franchise holder. Offering the use of rail tracks to private companies such as East Coast, Virgin and Trans Pennine should be negotiated alongside the length of the franchisee contract to offer stability of timetables and service provision to the consumer. Service-level contracts should be built to ensure that performance guidelines in both operations and customer service levels are reached and maintained throughout all services.

This option may however entail differing levels of service across the routes, leading to a disjointed visitor experience, and efforts would have to be taken to ensure that service quality remained high across all operators

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

Establishing minimum performance indicators on punctuality, level of investment, completed projects against planned timeframe, and customer perception (see below) would serve to adequately incentivise high-quality service provision.

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

VisitScotland believes a suite of financial penalties would serve as an adequate sanction for failing to live up to franchise commitments, with the ultimate sanction being loss of the franchise and a re-tendering process.

Achieving reliability, performance and service quality

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

VisitScotland believes that, in order to achieve a reliable and high-quality service, good performance should be incentivised and bad performance penalised.

Users of the rail network, including national and international visitors, expect clean, modern trains that run on time and are staffed with friendly and knowledgeable staff. While it is the organisation's view that good service should be built into the franchise contract, rewarding good performance will encourage franchisees to consistently meet high customer expectations. A drop below the pre-set standards should have a financial implication and therefore ensure that standards across all services are maintained to a high level.

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

It is VisitScotland's view that implementing one system would allow for a national overview and strategy for provision of rail services in Scotland, thereby reducing conflicts / areas of overlap that may exist between service groups.

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

Carrying out regular passenger surveys to monitor agreed key measurements, including if customers would recommend the service, value for money and quality of experience would allow for better tailoring of the services to customer needs.

Passenger representation on the boards of transport authorities or relevant bodies such as VisitScotland will ensure their voices are heard, and their interests are well-represented.

- *What should the balance be between journey times and performance?*

Consistently, passenger feedback has shown that journey times are a key barrier to changing transport method to the rail network. While this undoubtedly encompasses time taken per trip, it is likely that ease of access to the final destination is an important consideration, due to a lack - real or perceived - of joined up infrastructure. For example, some users report difficulties in making connections between ferries operating on the Clyde and trains arriving at/leaving from Gourock Station, with only a few minutes in which to complete a transfer between rail and ferry.



As noted in the response to the Rail Utilisation Strategy above, better cross-sector planning between transport providers could serve to reduce the impact of this, and increase the patronage on the more rural services.

- *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?*

For both visitors and residents alike, there is no distinction between those services managed by the franchise, and those aspects of station and service delivery managed by other parties. With this in mind, it is important for responsible parties to take into account the customer journey as a whole. Developing a quality assurance scheme similar to that operated by VisitScotland for accommodation providers and visitor attractions would enable independent assessment of service levels, along with providing a benchmark for consumer confidence.

While the VisitScotland Quality Assurance scheme entails annual visits to assess service delivery, in the case of rail provision it may be appropriate to 'mystery shop' on a more regular basis. As discussed above, it is VisitScotland's opinion that incentives should only be offered when a level of excellence has been reached for a period of longer than six months, as this demonstrates a commitment to consistently achieving high standards of service.

The possibility of adapting this existing scheme to be used in the areas of station and train quality could place Scotland as the first country in the world to benchmark and recognise its tourism infrastructure using an internationally renowned grading system. Customer feedback is also an important method of refining and improving service provision, and this should be closely monitored to ensure customer expectations are being met.

Scottish train services

- *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?*

Interchange stations are a good option for offering the consumer a complete door to door service. The infrastructure at interchange stations should however be taken into consideration and complete collaboration between the rail-to-rail and other mode providers must be insisted upon to avoid any non-alignment of service timetables, potentially delaying customers, or causing other inconvenience.



- *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?*

It is VisitScotland's view that all aspects of service provision should be determined in the main by customer demand.

Scottish rail fares

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

It is VisitScotland's view that the fares policy should be fair to customers, but allow the franchisee to make a reasonable level of profit. Lower-price rail fares would undoubtedly help facilitate the move of passenger traffic from road to rail.

Rural locations are known to run on lower customer numbers - for example the Glasgow to Stranraer service carries only 8 passengers per day, with fares as high as £40.00.

Working in partnership is a key strand of all VisitScotland activity, and it is the organisation's view that joined-up marketing - combined with greater elasticity in fares - could potentially stimulate demand. For example, Wigtown Book Festival, held in September, attracts 15,000 visitors per annum. Is there an opportunity to jointly promote festivals and events across Scotland and to price the travel element of these at a lower level to yield manage the carriages and stimulate visitors to the region?

As noted above, 14.7 million tourism trips were taken in Scotland in 2010, with only 15% of these by train. VisitScotland believes fares policy should put accessibility and ease to pre-purchase as a high priority on this particular sector. The UK and Scotland currently only offer an explorer pass through the highly successful Eurail Travel Pass, and there is a feeling that our pricing structure is confusing and fragmented for visitors.

- *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)?*

Rural fares should be regulated to ensure that residents - and visitors to the area - are not unfairly disadvantaged. Parts of Scotland with aggressive growth plans need to be protected by Scottish Government to allow them to realise their potential.



- *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?*

Fares should be benchmarked against similar modes of transport and look to achieve parity or slight advantage against car journeys - incentivising the use of rail travel while still maintaining an acceptable profit margin. Rail travel carries with it sustainable benefits like increased air quality and less congestion on roadways.

Scottish stations

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

Rail station requirement should be determined using a variety of stakeholder information available. Customer demand, cost and the local availability of other transport options should be key considerations.

The area tourism plans, regional development strategy and European Framework plans for coastal regions should also be considered. This approach could help strategic decision-making process linking the current operating performance into the aspirations for the future of that region - a good example of this would be the maintaining of Stranraer services, anticipating the realisation of the waterfront development strategy.

There is a concern that a number of stations likely to be closed are those in more remote communities, drastically reducing access and forcing visitors to rely on driving to get around Scotland's rural areas. VisitScotland believes this perception would have to be mitigated against in any exercise to determine rail station requirement.

- *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?*

While local funding options ease the economic burden on franchisees and transport authorities, differing approaches to promoting and funding stations could lead to nation-wide delivery being disjointed if not part of a holistic strategy, to the potential detriment of the visitor experience. There is also the possibility that, owing to unforeseen economic factors, local authority or private businesses funding may be withdrawn, leading to difficulties in maintaining the service going forward.

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

Involving staff in local community groups and forums would raise the profile of the station among in the local area, and ensuring using the station was cost-effective and convenient, in line with previous comments on customer expectations, would ensure continue to attract patronage.

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

VisitScotland recommends a segmentation exercise be carried out to determine whether station fall into categories like national, regional, or local hub, which would then determine the level / range of service provision required.

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?*

Ensuring cross-border services travel north of Edinburgh offers a seamless customer journey, improving overall visitor experience of both the United Kingdom, and Scotland.

80% of Scotland's visitors come from the rest of the UK, and while currently only a relatively small proportion arrive by train, maintaining cross-border services allows for a more sustainable option than car or air travel. Any future sustainability drives on inter-UK travel are likely to focus on rail routes, undoubtedly making the cross-border services a much more important feature of UK travel.

Rolling stock

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

As in line with above comments on dual-focus rail provision, methods to determine the facilities on individual trains are likely to be based on route frequency, popularity, and customer demand. With this in mind, implementing a basic, enhanced, or premium service based on these criteria would be the most sensible solution.

Passengers – information, security and services

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

It is VisitScotland's opinion that investment in mobile phone provision and Wi-Fi is critical in rural areas of Scotland. A high concentration of private commercial companies already provide Wi-Fi and good mobile phone connectivity and therefore any visitors to major cities (Glasgow, Edinburgh, Aberdeen and Dundee) would be able to access these services through coffee shops, hotels, department stores and hot spots.

The priority to get the rural communities "connected" therefore should take precedence. This will stimulate a higher engagement in investment opportunities for the region, allow for regular commuting to and from hub cities and a better all round experience for visitors ensuring the rural locations are not seen as "backwater" locations.

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

Travel Information for passengers currently works well through social media, text alerts, printed timetables and online provision. Rail travel has a low level of visibility in terms of marketing strategies - a much more strategic linking of key tourism stakeholders to package rail with visitor attractions through VisitScotland's national Surprise Yourself and Days Out Campaign would serve to drive up numbers and increase the economic benefits for the industry.

Important customer touchpoints like VisitScotland Information Centres can be utilised as hubs for planning rail trips throughout the country.

Environmental issues

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

The overall carbon footprint of the franchise should be monitored closely in line with the Scottish Government's commitment to make Scotland one of Europe's most sustainable tourist destinations.

Conclusion

VisitScotland believes rail travel will become an increasingly important method to travel to and around Scotland, and that any proposed franchisee or national, regional, or local rail stakeholder take note of the points raised in response.

- Regardless of the service provider, reliability and efficiency of service is paramount for visitors, including improved facilities, information provision, journey times and service.
- Investment in capacity is important, with capacity directly related to the tourism industry's desire for more effective general capacity utilisation in a bid to grow tourism revenues.
- With visitors expecting ever-higher standards, investment in quality is important - from business-as-usual services like catering to important 'value-adds' like Wi-Fi.
- New routes, services and stations are important for capacity utilisation, and these should be determined by customer demand, though not to the disadvantage of rural and lifeline services.
- Fares should be approached sensibly, and not be a deterrent to rail travel. VisitScotland supports any efforts to simplify fares policy across the country to make for an easier customer journey.
- It is VisitScotland's opinion that the customer - including both domestic and international visitors - must be at the heart of all considerations in franchising the service.

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