



**TRANSPORT  
SCOTLAND**  
CÒMHDHAIL ALBA

# **Analysis of Responses to the Franchise Policy Statement Consultation**

**May 2021**

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## Introduction

On 18 December 2020 a focused stakeholder consultation was launched in relation to a revised version of the Scottish Ministers' Franchising Policy Statement (FPS). The FPS sets out how the Scottish Ministers propose to exercise their franchising power under section 26(1) of the Railways Act 1993 (the 1993 Act) in relation to ScotRail and Caledonian Sleeper rail passenger services.

[Details relating to the consultation](#) are available.

The consultation closed on 12 February 2021 and responses were received from the following organisations:

1. Capital Rail Action Group
2. Highlands and Islands Transport Partnership (HITRANS)
3. Nestrans (Transport Partnership for Aberdeen City and Shire)
4. Rail Delivery Group (RDG)
5. Rail, Maritime and Transport Workers Union (RMT)
6. Scottish Association for Public Transport (SAPT)
7. Serco
8. The Associated Society of Locomotive Engineers and Firemen (ASLEF)
9. Transform Scotland
10. Transport Focus
11. Transport Salaried Staffs' Association (TSSA)
12. Unite

The purpose of this report is to summarise the responses received.

## Franchising Policy Statement Publication

Following the conclusion of the consultation, the [revised FPS](#) was published on 4 March 2021.

The FPS covers:

- When the Scottish Ministers' selection of the person to be a franchisee under a franchise agreement is likely to be from those submitting tenders in response to an invitation to do so.
- When it is likely an invitation to tender will not be issued.
- The means by which Ministers propose that the selection will be made if no invitation to tender is issued.
- Section 30 of the 1993 Act (Operator of Last Resort).

## Consultation

The [draft revised FPS](#) which was provided to the consultees is available to view.

Consultees were invited to respond with any comments or questions on the draft revised FPS.

## Summary of responses

In total, there were 12 responses to the consultation from stakeholders.

Half of the respondents offered a view that the current franchising system is not fit for purpose and that there is a need for rail reform. Generally, there was an acknowledgement of a difficult decision-making environment due to current uncertainties around the impact of Covid-19 and the shape and timing of UK rail reform. The importance of Ministers having a range of options available to achieve key policy objectives, including ensuring continuity and stability of services, was also recognised.

In the main, however, observations from respondents reflected upon broader rail policy matters, beyond the remit of the FPS. While the consultation was about a revision to the Scottish Ministers' stated policy on exercise of their franchising power in general, many respondents took the opportunity to offer comment on the future of ScotRail services after the current franchise agreement with Abellio ScotRail Ltd, which was expected to end in March 2022. In addition, some respondents expressed views about what could be included in the UK Government's anticipated White Paper on Rail Reform.

It was not considered necessary to alter the FPS as a result of the feedback received. Accordingly, the revised FPS was published as drafted on 4 March 2021.

## Key themes identified from responses

Below are some of the key themes that emerged from the consultation responses received. Responses generally recognised the options available to the Scottish Ministers under the current legislative framework, depending on circumstances, for securing rail services:

- A competition for a contract for the provision of services.
- A direct award of contract for the provision of services.
- Operator of Last Resort arrangements.
- Some respondents noted advantages and disadvantages associated with each of the options. Responses received from trade unions advocated the option of Operator of Last Resort arrangements in particular.
- It was noted by one respondent that the FPS provides flexibility for the Scottish Ministers to respond to a range of circumstances in making decisions about how rail services are to be provided. In this connection, several responses were cognisant of the current uncertainties arising from the Covid-19 pandemic and UK Rail Reform, and their impact on decision making.

## Stable delivery of high performing rail services

It was noted that passenger needs are central when considering how rail services could be contracted and provided in the future. Several respondents observed that passengers expect reliable, punctual, accessible and value for money rail services.

In particular, it was noted by a number of respondents that ensuring there is no disruption to passenger rail services is one of the most important factors in decision making. Decision making about the future provision of ScotRail services was mentioned in this context, with some respondents offering a view on the timing of same.

### **Covid-19 impact**

The responses widely acknowledged that Covid-19 has had a significant impact on the rail industry and created a considerable level of ongoing uncertainty. Some responses recognised that there is uncertainty around the longer term impact of Covid-19 and demand for future rail services. A number of responses noted the potential for changes to travel patterns, on the basis that the traditional five day commute might not be as prevalent as it was prior to the Covid-19 pandemic.

The impact of these unknowns on decision making was noted, with several respondents suggesting that future arrangements for the provision of services should allow operators to adapt swiftly and flexibly to changing customer needs.

Some respondents cited the ongoing uncertainty caused by Covid-19, and associated market instability, as a reason why issuing an invitation to tender for ScotRail franchise might be inappropriate and unlikely to result in a value for money solution for taxpayers at present.

### **UK Rail Review**

Many consultees referred to the UK Government's Williams Rail Review in their responses.

The outcomes of the UK Rail Review, and the publication date for the White Paper, are both unknown at the time of writing this report. Respondents expected the Review to lead to changes in the way that rail services are provided in the future. Some responses noted the impact unknowns around the outcomes of the Review, and the future of railway structures, might have on decision making in the interim.

### **Climate change and environment**

Some of the responses highlighted the importance of decisions which further environmental objectives, contribute to tackling climate change and support a sustainable rail system.

### **Ticketing and integration**

There was a desire expressed by some respondents for a more fully integrated public transport system, with greater interconnectivity with other transport providers, and tickets that can cover a whole journey across different modal types.

There was also a view expressed that, moving forward, ticketing options will need to adapt and be flexible to suit future passenger needs.



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Published by Transport Scotland, May 2021

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