



# Passenger Focus response to Transport Scotland consultation “Rail 2014 – public consultation”

February 2012

## **Passenger Focus – who we are and what we do**

We are an independent public body set up by Government to protect the interests of Britain's rail passengers, England's bus and tram passengers outside London and England's coach passengers on scheduled domestic services. We are a non-departmental public body sponsored by the Department for Transport (DfT).

Our mission is to get the best deal for passengers. With a strong emphasis on evidence-based campaigning and research, we ensure that we know what is happening on the ground.

We use our knowledge to influence decisions on behalf of passengers and we work with the industry, passenger groups and government to secure journey improvements.

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## **Appendix**

Passenger Focus submission to the rail industry's Planning Oversight Group during that body's development of the IIP for Scotland

# 1. Introduction

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Passenger Focus welcomes the opportunity to provide a rail passengers' perspective as Transport Scotland develops its High Level Output Specification (HLOS) for Control Period 5 2014-2019 (CP5) and its specification for the Scotrail franchise to run from 2014.

In this response Passenger Focus had drawn on its twice-yearly National Passenger Survey (NPS), research into passengers' priorities for improvements to rail services and other Passenger Focus research. In 2011 Passenger Focus provided input to the rail industry's Planning Oversight Group during its preparation of the Initial Industry Plan for Scotland 2014-2019. This is appended to this response for completeness.

We support Transport Scotland's desire (2.22) for a passenger-centric railway and, overall, encourage that the HLOS for CP5 and the outputs required from the 2014 franchise should focus on improving the key drivers of passenger satisfaction, and on those things passengers tell us they most want to see improved. These are:

## **Drivers of overall passenger satisfaction<sup>1</sup>**

- Punctuality and reliability
- Cleanliness of the inside of the train
- Overall station environment
- Comfort of the seating area
- Ease of being able to get on and off the train

## **Passengers' priorities for improvement<sup>2</sup>**

- value for money
- punctuality
- frequency
- getting a seat on the train
- information during disruption

The Rail 2014 consultation is partly about HLOS and CP5 funding and partly about the next Scotrail franchise, and therefore is a hybrid of high level strategic issues and more detailed specifics. Page 22 of the consultation document outlines the stages of the franchising process. We are concerned that this does not show a phase of consultation about the aims and objectives for the new franchise and the specifics to be included in its specification. This means that there will be no opportunity for passengers and stakeholders to input their priorities at a route level.

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<sup>1</sup> National Passenger Survey, Passenger Focus, Autumn 2011 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=5356>

<sup>2</sup> Passengers' priorities for improvements in rail services, Passenger Focus, August 2010  
<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=4476>

As a member of the Audit Scotland Project Advisory Group, Passenger Focus has endorsed the key recommendations from the Audit Scotland report 'The First ScotRail Passenger Rail Franchise'<sup>3</sup> including:

- Develop a systematic project plan for awarding the next franchise. This should identify the key stages and their timeframes, consultation strategy, decision-making criteria and reporting and approval arrangements.
- Improve stakeholder engagement by clarifying its consultation arrangements, and
- Review performance measures to improve alignment with passenger priorities.

Relying on the current consultation as the sole means of passenger and stakeholder engagement prior to a new Scotrail franchise being awarded would be unfortunate. It contrasts with Department for Transport practice in England, illustrated by the Essex Thameside consultation published 17 February 2012<sup>4</sup>. Passenger Focus therefore encourages Transport Scotland to conduct a franchise-specific public consultation prior to finalising the specification for the new franchise.

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<sup>3</sup> [http://www.audit-scotland.gov.uk/docs/central/2008/nr\\_081128\\_rail\\_franchise.pdf](http://www.audit-scotland.gov.uk/docs/central/2008/nr_081128_rail_franchise.pdf)

<sup>4</sup> Essex Thameside franchise consultation launched 17 February 2012 <http://assets.dft.gov.uk/consultations/dft-2012-08/essex-thameside-franchise-replacement.pdf>

## 2. Passengers' highest priorities for improvement

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Passenger Focus supports Transport Scotland's aims for Scotland's railway as set out in 2.4 of the consultation document:

- offer world class train services which connect our city regions and major towns, providing journey times and quality of service that are competitive with car and air
- provide access to inter-urban services through high quality interchange stations that link with feeder rail services from intermediate stations and offer easy transfer from car, bus, tram, subway, ferry, cycle and walking
- make commuter train services attractive to passengers by ensuring that the journey to work is a high quality, reliable travel option and by ensuring that our rolling stock choices take account of environmental considerations, including air quality and noise emissions
- support heavily loaded freight trains carrying an increasingly wide range of products with effective interchange to road and sea
- achieve a rail industry that delivers efficiently and effectively to support our aims and vision

In delivering these aims, we encourage Transport Scotland to focus on those factors passengers most want to see improved. Passenger Focus research<sup>5</sup> has found that passengers' top five priorities for improvement in Scotland are:

- value for money
- punctuality
- frequency
- getting a seat on the train
- information during disruption

We discuss each of these in turn below.

### 2.1 Value for money – top priority for improvement

#### **Many fares are already high in comparison with other European countries**

Commuters in Scotland already pay significantly higher fares than their counterparts elsewhere in Europe (annual season ticket prices in Scotland for the 17km-40km bracket are in real terms 1.21 times the next most expensive country, France)<sup>6</sup>. The price of flexibility is also high, with Anytime single tickets being many times the price of the cheapest 'one train only' Advance single (e.g. Edinburgh to Inverness £10.90 cheapest Advance Single; £45.20 Anytime single).

#### **Continuing above-inflation fare increases**

While acknowledging the wider economic and financial situation, Passenger Focus would encourage Transport Scotland to review whether RPI+1% fare increases each year is sustainable. Many passengers will not have the ability to dig ever deeper in their pockets when income is static. And in any case an efficient railway should have no need to raise prices by more than the general rate of inflation. Furthermore, relentless above-inflation fare increases throughout CP5 appear to be incompatible with the rail industry's own principle "putting rail in reach of people", in which it being 'affordable' is one of the criteria.

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<sup>5</sup> Passengers' priorities for improvements in rail services, Passenger Focus, August 2010

<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=4476>

<sup>6</sup> Fares and Ticketing Study (Page 14), Passenger Focus, February 2009 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=2526>

The price passengers are expected to pay to use the railway is key to their assessment of value for money. But the quality of what you get for your money is also an important part of the equation. In particular punctuality, crowding, information during disruption, journey speed and train cleanliness.<sup>7</sup>

The fares structure, as well as ticketing and retailing issues also influence passengers' views and we discuss these in Section 3.

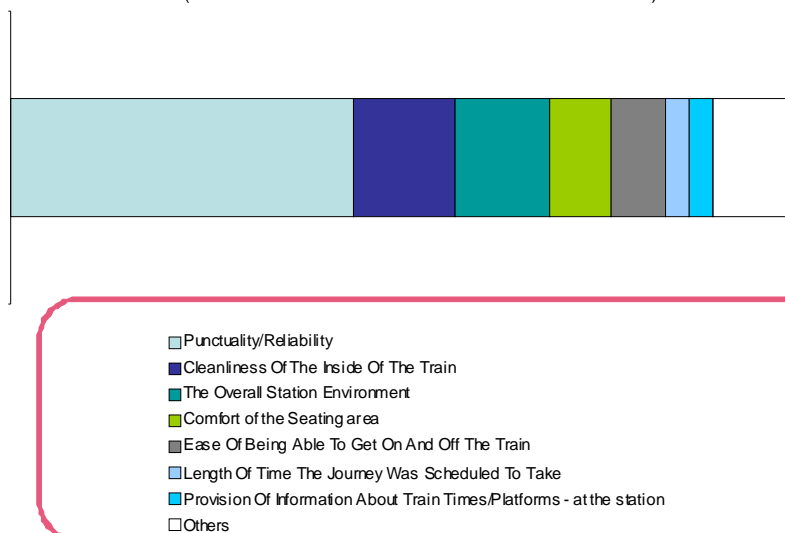
## 2.2 Punctuality – second highest priority for improvement

### Punctuality is the principal driver of overall passenger satisfaction

Passenger Focus has demonstrated, through analysis of the National Passenger Survey (NPS), that punctuality and reliability of train services is the top driver of overall passenger satisfaction. The chart below illustrates how punctuality and reliability, at 44%, dwarfs all other factors. It is also passengers' second highest priority for improvement.

#### NATIONAL PASSENGER SURVEY - WAVE 25 - AUTUMN 2011

Drivers of customer satisfaction for ScotRail – Spring 2011/Autumn 2011  
(bar size shows share of overall satisfaction due to factor)



Passenger Focus supports the rail industry's Initial Industry Plan (IIP) intention to focus on reducing the number of severe disruptions to train services in Scotland. But is the rail industry really saying that running 92% of trains less than five minutes late (or for many services less than ten minutes late) is the best it can achieve in Scotland by 2019? Is zero improvement between now and 2019 in the most important driver of passenger satisfaction really a tenable position for Scotland's railway? Passenger Focus encourages Transport Scotland to specify improved rather than static punctuality within HLOS and the new franchise.

Passenger Focus believes greater transparency about punctuality and reliability will benefit passengers because it will help focus the industry's efforts in a more targeted way than might otherwise be the case. Transparency will, for instance, prevent poor performance on a particular route, at certain times of the day or on certain days of the week being disguised – from internal as well as external scrutiny – within

<sup>7</sup> Fares and Ticketing Study (Page 10/11), Passenger Focus, February 2009 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=2526>

an otherwise acceptable average. It is also right in principle that passengers, in their capacity as both farepayers and taxpayers, should be able to see the track record of their service if they wish.

Passenger Focus therefore encourages Transport Scotland to ensure that in CP5 and beyond there is considerably greater transparency about punctuality and reliability than currently exists. At the very least, this should include visibility of the Public Performance Measure (PPM) by individual route rather than groups of routes.

### **The importance of 'right time' arrival**

Passenger Focus has demonstrated, again through analysis of NPS data, the importance of 'right time' arrival<sup>8</sup> in determining passenger satisfaction<sup>9</sup>. This analysis mapped passenger satisfaction with punctuality against the actual delay experienced by 12,000 NPS respondents (using rail industry 'bugle'<sup>10</sup> data for the train on which they were travelling) and showed that:

- passenger satisfaction with punctuality declines on average by between one and three percentage points per minute of delay
- commuter satisfaction with punctuality declines on average by around five percentage points per minute of delay.

While the rail industry may struggle with the notion that commuters become aware of delay from the very first minute, the sample size was large and the linear relationship between 'right time' arrival and satisfaction with punctuality was strong.

In our response to the IIP we said:

*"Despite its clear role in driving passenger satisfaction, the IIP does not propose a trajectory to improve 'right time' punctuality over the course of CP5, either as a formal regulatory metric or as an internal operational target. This appears to be incompatible with progress towards the industry's stated ambition of 90% customer satisfaction in the longer term. Passenger Focus fully understands that getting every train to arrive 'right time' every day would be next door to impossible. But we are keen to engage in debate about how the industry can give greater focus to 'right time' punctuality in CP5, including timekeeping at intermediate stations as well as at a train's destination."*

One option would be for Transport Scotland to specify through the HLOS a PPM target, hopefully more ambitious than the IIP's proposed 92%, and a target that would require 'right time' punctuality to be improved through CP5. Another option would be to require full transparency about right time performance, and rely on the natural incentive to improve that would then be generated.

In summary, whether it is specified through HLOS or you create the impetus for improvement by requiring transparency, we strongly encourage Transport Scotland to have an objective that in CP5 and beyond more passengers arrive at their station precisely on time than at present, whether they get off where the train terminates or at an intermediate station.

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<sup>8</sup> 'right time' arrival meaning a train arriving at precisely the time printed in the timetable rather than during a 'grace period' of up to five or 10 minutes late

<sup>9</sup> Improving Punctuality for Passengers, Passenger Focus, January 2011 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=4966>

<sup>10</sup> Bugle is a rail industry database containing historic train running information



### 2.3 Frequency – third highest priority for improvement

Our research shows train frequency is the third highest priority for improvement among passengers in Scotland. Therefore in addition to the welcome improvements that the Edinburgh Glasgow Improvement Programme (EGIP) will bring, we encourage Transport Scotland to explore what other frequency improvements may have a positive business case. The invitation to tender for the 2014 franchise could, for example, invite proposals to improve frequencies on various routes for you to consider purchasing through the franchise.

### 2.4 Getting a seat on the train – fourth highest priority for improvement

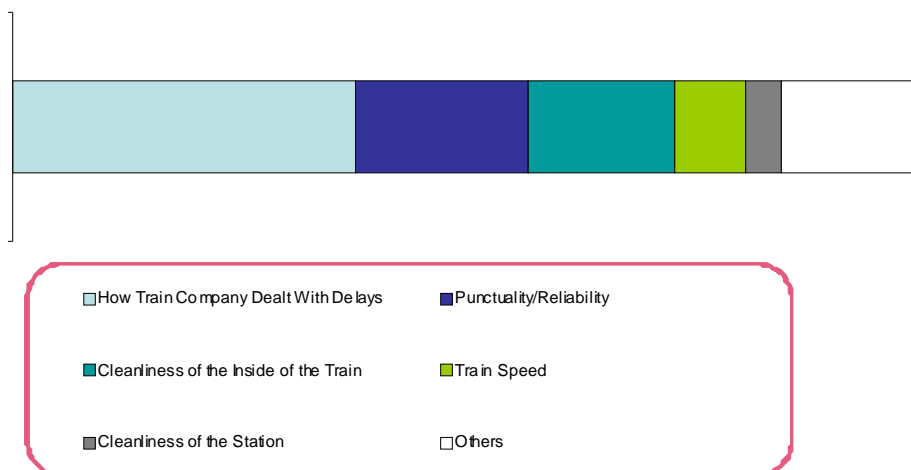
Despite the investment already in the pipeline, the IIP has shown that by 2019 the average seated load factor for trains arriving in Edinburgh and Glasgow between 08.00 and 09.00 will be 99% and 92% respectively. This means that significant numbers of passengers are likely to be standing on individual trains and there need to be plans to address this. Passenger Focus commented in its response to the IIP that the rail industry does not appear to have a strategic vision for the opportunities arising from electrification-related diesel fleet cascades – in particular, options to improve capacity on commuter services into Scotland’s major towns and cities other than Edinburgh and Glasgow. The Rail 2014 consultation document is clear that current off-peak capacity is adequate, so Transport Scotland’s focus must be on cost-effective ways to increase peak capacity. We would encourage you to consider how capacity-busting additional rolling stock could be acquired and maintained on a low mileage basis to augment one or two key trains each day. Could Transport Scotland purchase fully-depreciated diesel rolling stock which could be refurbished and made available to the franchisee for this purpose?

### 2.5 Information during disruption – fifth highest priority for improvement

How the rail industry handles service disruption, of which information is a key part, is a high priority for improvement among passengers and is the top driver of overall dissatisfaction within the NPS at 38%, see chart below.

#### NATIONAL PASSENGER SURVEY - WAVE 25 - AUTUMN 2011

Drivers of customer dissatisfaction for ScotRail – Spring 2011/Autumn 2011  
(bar size shows share of overall satisfaction due to factor)



Passenger information during delays is also an important factor in how passengers judge if their rail journey was value for money. In the Autumn 2011 NPS 34% of Scotrail passengers said delays had been dealt with “well”, and 22% said “poorly”, below the 41% average for similar train operators. Passengers tell us that during delays and disruption they want the rail industry to treat them with respect; recognise their plight; help them avoid the problem in the first place; actively help them through a problem; and act joined up. Passenger Focus strongly urges Transport Scotland to consider what it can do, either through the HLOS or in the specification of the franchise, to drive up passenger satisfaction in this area. The quality of passenger information is key, but as part of a more fundamental shift in customer service culture – including staff behaviours and responsiveness to passengers’ needs. Measuring and monitoring the quality of passenger information during disruption is crucial. Passenger Focus believes strongly that – alongside key input and output measures – the ultimate test of success must be that scores in the NPS improve.

## 3. Additional issues for the 2014 Scotrail franchise

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### 3.1 Meeting the needs of disabled passengers

The new franchise must incorporate requirements to ensure that the needs of all potential passengers are recognised and addressed. The specific needs of passengers who are disabled or who have other access needs must be considered and appropriate adjustments made to ensure stations and trains can be utilised safely at all stages of the journey, with necessary assistance provided when required.

Passenger Focus recommends that Transport Scotland specifies the following in the new franchise:

- that an annual action plan be developed and implemented to enhance the service provided to disabled passengers using the Scotrail network and to improve customer satisfaction among those using the Assisted Passenger Reservation System (APRS) booking process
- that the new operator participates in the 'railways for all' process including a quantified commitment to improve access to stations over the life of the franchise
- that sufficient post-journey customer satisfaction surveying is conducted each period to give a robust indication of the views of Scotrail passengers who used APRS
- that all passengers with an APRS booking whose journey will be affected by amendments, cancellations or disruption to services will receive a telephone call offering to help them re-plan their journey.

### 3.2 Fares and ticketing

Passenger Focus research into fares and ticket retailing has shown that passengers continue to perceive the fares structure as complicated and confusing, with some passengers convinced that it is deliberately constructed so they pay more than they need to. The key Passenger Focus research publications in this area are:

- Fares and Ticketing Study, February 2009  
<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=2526>
- Ticket Vending Machine Usability, Qualitative Research, July 2010  
<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=4460>
- Ticket Retailing Website Usability, Qualitative Research, July 2011  
<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=5194>

#### **A new, easily-understood fares system**

To address these issues in the new Scotrail franchise, Passenger Focus recommends that Transport Scotland seeks proposals from bidders for a fares structure that is regarded by passengers as logical, transparent and a fair price for the journey being made.

A key feature in a new structure would need to be flexibility at an affordable price. To help deliver that:

- one-way journeys at off-peak times should be priced at 50% of the Off-Peak Return (formerly Saver Return). East Coast, First Great Western and Virgin Trains have partially adopted this approach to give passengers the opportunity to mix their use of train-specific Advance Single tickets and more

flexible options – for instance, travelling out on a specific train but needing flexibility about the return time.

- passengers holding Advance Single tickets who miss the train on which they have booked should be permitted to pay the difference, plus an administration fee, between what they have paid already and the appropriate new ticket they are required to purchase. This will substantially address the genuine anger passengers feel when they miss their intended train and are asked to buy a completely new ticket with no account taken of the money already paid.

To ensure passengers have confidence in the fares structure:

- the official through fare on 'walk up' interavailable flows controlled by Scotrail must never exceed the sum of 'walk up' inter-available fares for individual legs of the journey (except where a journey takes place partly at peak time and partly not).

### **3.3 Ticket retailing**

The new franchise should provide a wider range of ticketing and retail options for passengers. Developments such as smart-cards and mobile telephone products should be incorporated into the franchise. The franchise should also require the introduction of innovative new products such as carnet-style tickets that will enable passengers who cannot benefit from season ticket discounts to achieve some economies from repeat travel. Schemes to spread the cost of annual season tickets should also be available.

In the new franchise Transport Scotland should consider inviting proposals from bidders to revolutionise passengers' experiences of using Ticket Vending Machines (TVM) – to address the deficiencies identified in Passenger Focus research<sup>11</sup> but also to embrace technological advances. The concept of a dual Graphical User Interface (GUI) – one for regular passengers who know what they want and one for those who wish to be guided – should be explored. The TVMs currently used by Scotrail are static, yet we are told TVMs could be developed to provide a printed journey itinerary using real time running information or tell the purchaser when the next train is and which platform to go to. At the very least, all Scotrail ticket vending machines should clearly display outward and return ticket restrictions on the screen prior to a passenger committing to purchase.

#### **Clarity and reassurance**

On flows controlled by Scotrail, restrictions that apply to a ticket should be printed on passengers' tickets to remove confusion over validity. Relying on "see restrictions" and "valid as advertised" is not acceptable.

#### **Internet sales**

Some passengers are suspicious that train company websites favour their own services over those of other companies and that they do not necessarily offer the best value tickets for the journey being made. The new Scotrail franchise should seek to protect the unwary, potentially irregular traveller from paying more than they need and to give all online purchasers confidence that they have obtained the best price available.

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<sup>11</sup> Ticket Vending Machine Usability, Qualitative Research, Passenger Focus, July 2010  
<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=4460>

To address these issues, Passenger Focus recommends that in the new Scotrail franchise Transport Scotland requires:

- A commitment that the Scotrail website will retail impartially, and that this is made clear to intending purchasers.
- That it be made impossible to buy an Advance Single ticket at a higher price than the 'walk up' fare available on the same train and that it be made impossible to buy out and back Standard Class Advance Singles in the same transaction at a higher price than the 'walk up' return fare available on the same trains.
- That the 'cut off' time for buying Advance Single tickets be moved to the latest practicable time to allow the production and positioning of ticket reservation systems. The remaining as-yet-unsold Advance Single tickets should stay on sale, if practicably possible, until two hours before the train departs from its origin station.
- Proposals from bidders to address other areas identified in Passenger Focus research as being problematic to passengers<sup>12</sup>

### **Ticket offices**

Passenger Focus recommends:

- That the current Scotrail Ticketing and Settlement Agreement 'Schedule 17' ticket office opening hours be maintained and delivered consistently at all stations, with a formal requirement to report adherence levels to Transport Scotland station by station, period by period.
- That Ticketing and Settlement Agreement standards for queuing times are met at all stations, with a formal requirement to report adherence levels to Transport Scotland station by station every six months. At stations where 'tickets for today' and 'tickets in advance' have separate queues, they should be reported separately.

### **3.4 Improving passenger satisfaction with personal security**

Passenger Focus recommends that development and implementation of a strategy to deliver improved passenger satisfaction with personal security while using the railway should be one of Transport Scotland's objectives for the new franchise. The specification should include the following requirements:

- contractual targets to improve personal security on board trains and at stations
- measures to increase the visible presence of staff on trains and at stations, particularly at times of the day when passenger satisfaction with personal security is lowest
- provision of comprehensive CCTV coverage within each coach of each train operated by the franchise

### **3.5 Passenger's Charter**

Passenger Focus recommends that the successful bidder for the new Scotrail franchise is required to introduce a new Passenger's Charter drawing on best practice from around the industry. The new operator should also be required to consider the findings of Passenger Focus research into passengers'

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<sup>12</sup> Ticket Retailing Website Usability, Qualitative Research, Passenger Focus, July 2011

<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=5194>

requirements of compensation schemes<sup>13</sup>. In particular to set out how it will ensure greater passenger awareness that they can claim compensation, and to take the 'hassle' out of claiming – for example, exploring opportunities for online claims submission and electronic credits against future ticket purchases.

The Passenger's Charter for the new franchise should contain the following provisions, a number of which are contained in the existing Scotrail Charter:

- An 'irrespective of cause' delay repay scheme giving compensation to the value of 50% of either the outward or return portion for a delay of 30-59 minutes; compensation to the value of 100% of either the outward or return portion for a delay of 60-119 minutes; and compensation to the value of 100% of the outward and return portions (where applicable) for a delay of 120 minutes or more. The new operator should be encouraged to include "without quibble, we will exchange National Rail travel vouchers for a cheque on request" in its Charter.
- Compensation to the value of your ticket in the event that a seat reservation is not honoured and an alternative seat cannot be found on the train.
- Compensation to the value of your ticket in the event that an Assisted Passenger Reservation System (APRS) booking is not honoured.
- In the event of a missed connection because of delay to or cancellation of a Scotrail train, a commitment to arrange alternative transport to get passengers to their final destination if the next connecting train is more than 60 minutes later and the alternative transport will result in an earlier arrival than waiting for the next train.
- In the event that delay to or cancellation of a Scotrail train makes it impossible for a passenger to get to their destination at a reasonable time by train or alternative transport, a commitment to EITHER get the passenger back to their origin point and let them travel again the following day OR arrange overnight accommodation and let them continue the following day, in either instance without additional charge. The new operator should be encouraged to add "taking into account the passenger's preference".
- A commitment to provide refreshments on trains and at stations in the event of severe delays.

With most 'delay repay' style Passenger's Charters, regular passengers who experience a large number of sub-30 minute delays receive no compensation. While an individual would have to be particularly unlucky, it is a fact that a season ticket holder could be 29 minutes late to and from work every day, yet receive no compensation. Passenger Focus therefore recommends that Transport Scotland requires the Charter to contain additional protection for season ticket holders in the event of poor punctuality in the peaks over a sustained period. Setting an appropriate delay threshold and trigger level is important. Based on research conducted previously on this subject, we suggest a 10 minute threshold because less than 10% of passengers expect to be compensated for a delay of under 10 minutes.

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<sup>13</sup> Train Operator Compensation Schemes, Qualitative Research, Passenger Focus, June 2011  
<http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=5178>

## 4. Response to Rail 2014 consultation questions

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### 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?

Passenger Focus comment: Transport Scotland should consider what is in passengers' best interests – will passengers get a better deal under a dual focus approach or under a more conventional structure? We note the two parts would still, formally, be part of the same franchise, but nevertheless Transport Scotland must be wary of the risk of fragmenting a currently-integrated network to the detriment of passengers who may use both 'economic' and 'social' trains on one journey.

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

Passenger Focus comment: The consultation indicates that Transport Scotland is minded to let a contract of around seven years. Longer franchises have been cited as a means to unlocking private sector investment in the railway. Given the importance of investment, passengers will need assurances that it will still happen, either because of an effective mechanism to sell on assets to a future operator or because Transport Scotland will make the investment itself. Were you to consider a longer franchise, perhaps linked to significant capital investment by the successful bidder, it will be important that Transport Scotland retains the ability to take action if the operator consistently under-delivers for passengers.

3. What risk support mechanism should be reflected within the franchise?
4. What, if any, profit share mechanism should apply within the franchise?

Passenger Focus comment: Whatever arrangement you decide upon, it must seek to avoid the franchisee being able to cut back to the bone in lean years to the detriment of passengers. It should also avoid the disincentive train operators who are in revenue support in England have to grow the business (because the majority of any additional earnings accrues not to them but to the Department for Transport).

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

Passenger Focus comment: if third parties are to be involved, it is vital that the service remains 'seamless' from a passenger perspective. For example, if Transport Scotland contracted separately with a third party to run a station, the standards that apply at that station should be no less favourable than if it were managed directly by Scotrail. Accountability is a key issue with third party involvement. Transport Scotland should ensure that the franchisee, if it decides to hive off delivery of certain areas to a third party remains responsible for passengers' welfare and customer service issues. By contracting something out, the train company must not be able to wash its hands of consumer issues in that area.

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

Passenger Focus comment: We strongly support the sentiments expressed in 3.25 of Rail 2014 document – specifically, that you wish to purchase outcomes in terms of passenger satisfaction. We

recommend that you consider using the approach contained within the South Central franchise in England, or something similar to it, involving contractual obligations to meet an average passenger satisfaction score derived from the results of selected National Passenger Survey (NPS) questions. In addition, as discussed in Section 2.2 above, because of the overwhelming importance of train punctuality in delivering improved overall passenger satisfaction we emphasize it is key to achieving a number of the aims you set out in 2.4 of the consultation document.

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

Passenger Focus has no specific comment here.

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

Passenger Focus comment: Presumably, failure to fulfil a franchise commitment will have resulted in passenger detriment in one way or another. Whatever model Transport Scotland adopts, it should ensure that the failure is put right as quickly as possible so passengers benefit or cease to be disadvantaged as rapidly as possible. Any financial penalty imposed on the franchisee should be used for passengers' benefit – after all, they are the ones who have suffered – rather than to defray Transport Scotland's overall costs. You could require the franchisee to commit to additional investment, subject to it being genuinely additional, from which passengers will benefit. Clearly, it is desirable that commitments *are* met and this situation does not arise. We therefore encourage Transport Scotland to carefully test the "deliverability" of bidders' proposals and to have robust early warning arrangements if delivery of commitments is not on target.

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

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

Passenger Focus comment: Whichever model you use, arguably the most important thing is to get the benchmark in the right place – it is important to avoid having no sanction against mediocrity and, worse still rewarding it. The penalty/reward regime should ensure that the franchisee is motivated to deliver for passengers every day. While carrot and stick is generally preferable, we have heard it said that there is greater motivation in the rail industry to avoid the Finance Director having to pay money out to a third party than in earning relatively small sums in bonus payments.

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

Passenger Focus comment: We believe that to avoid a 'postcode lottery' the franchisee should have incentives to be performing well across the entire operation – and not be able to 'live with' underperformance on one route because the average for the whole operation comes above the contractual benchmarks. There is also a strong transparency argument that it is right in principle for passengers and stakeholders to have visibility of performance on that part of the railway directly relevant to them. Whether the targets should be different from route to route is likely to depend on local factors, but over time achieving a high level of passenger satisfaction on all routes is desirable.

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

Passenger Focus comment: By including elements of NPS satisfaction as measures within the contractual framework and ensuring there is a strong incentive towards a 'right time' railway culture. Please also see our comments in Section 2.2 and answer to Questions 6 and 9 above.



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

Passenger Focus comment: For some passengers, and particularly for current non-users of the railway, improving journey time is important. This has long been recognised in the rail industry's Passenger Demand Forecasting Handbook (PDFH), but there is some evidence that journey time is more important in the market place even than PDFH assumes. On the other hand punctuality is absolutely critical to passengers' overall satisfaction. Passenger Focus would encourage Transport Scotland to challenge the notion that improvements in journey time are necessarily incompatible with improved punctuality. If a timetable is properly constructed, with accurate point to point running and station dwell times, and paths are not conflicting with each other it is questionable whether this is a trade off.

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?

Passenger Focus comment: to sit alongside the NPS measure of passenger satisfaction in the areas concerned, an element of formal auditing of outputs is desirable. It seems logical that any such regime applies to all aspects of the service, including those delivered by Network Rail on the train operator's behalf.

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

Passenger Focus has no additional 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?

Passenger Focus comment: it would appear that this question is suggesting that overcrowding is redefined as standing for longer than the current 10 minute maximum. While this would no doubt reduce overcrowding on paper, it is unclear how it would make better use of existing train capacity. Indeed, would there not be a legitimate accusation that the methodology had been changed rather than the passenger issue tackled? Crowding is another area where greater transparency is desirable. The mechanism to present the information needs to be developed and tested with passengers, but a means of indicating normal loadings on each train will help passengers take informed decisions. The ability to see, for example, that the train 15 minutes later usually has spare seats may assist in balancing loadings between trains.

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?

Passenger Focus comment: it is impossible to comment without further details, however unsurprisingly passengers prefer not to change trains – this has been reflected in the Passenger Demand Forecasting Handbook (PDFH) for many years. Transport Scotland would therefore need to carefully consider whether fewer passengers would travel by train as a result, leading to greater use of private cars and a reduction in revenue to the railway. The downside of additional unproductive turn round time, for both trains and train crews, that could result from more shuttle type services needs to be considered – as does platform capacity in which to terminate trains which previously

continued through. Whatever Transport Scotland decides to do in this area, the crucial thing is that it ensures that there is genuine consultation with passengers who would be affected – the benefits and disbenefits should be set out in each case and cognisance taken of passengers' views. It is vital that passengers feel that they had an opportunity to comment before a decision was made – too often they perceive that timetable changes have been done to them, without consultation and sometimes without even their knowledge.

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?

Passenger Focus comment: If Transport Scotland decides to adopt a more liberal approach to franchise specification it must consider the consequences if the franchisee takes commercial decisions that passengers and other stakeholders do not like. Transport Scotland must also consider the extent to which a short-term franchisee will necessarily take decisions which are in the long-term interests of the business, its funders and passengers. There may, for example, be a disincentive to endure disruption that would result from investment in journey time improvements – even if it is the right thing for passengers and Scotland's railway in the long-run. If Transport Scotland lets a highly specific contract, however, it is important that the ideas of the closest-to-the-market franchisee about how the timetable might be developed are not inadvertently stifled. Indeed, could it become an explicit element of the contract that the franchisee works continuously in partnership with Transport Scotland to help shape 'tomorrow'?

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

Passenger Focus has no additional comments.

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

Passenger Focus has no additional comments.

## **Scottish rail fares**

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

Passenger Focus comments: The purpose of the fares policy should be that train fares are affordable for the majority of people and that passengers regard the service they get as good value for money for the price paid. This should include addressing the high price of flexibility which we have highlighted in section 3.2.

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)?

Passenger Focus comments: It is important that daily commuters, who may have few reasonable alternatives to get to work, are protected from the potential that a monopoly supplier will abuse its position in the market. It is also important that an affordable walk-up railway is maintained in the off-peak. Advance purchase, 'one train only' tickets are great for those who can fix their plans weeks ahead, but protection needs to be afforded to the spur of the moment traveller and we therefore see no argument for removing current off-peak regulation on longer distance flows within Scotland. Passenger Focus cautions that removing or reducing price regulation would be a huge leap in the

dark that assumes a train company, no doubt with a tough premium/subsidy line to meet, will respond appropriately from a passenger perspective.

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?

Passenger Focus comments: Few other industries would automatically assume they can pass on even Retail Prices Index (RPI) price increases every year – let alone more than that. Going forward, an efficient railway should have no need to raise prices by more than the general rate of inflation, whether measured as RPI or CPI. Also, any flexibility allowed when increasing an individual fare should be restricted to a maximum of +2%, which will allow the train operator to correct any anomalies between fares and address market issues, but will prevent fare increases becoming an inequitable ‘postcode lottery’.

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?

Passenger Focus comments: The important thing is to incentivise passengers to travel outside the peak, rather than to penalise them for travelling in the peak.

### **Scottish stations**

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

Passenger Focus comments: As with our comments about the potential to have fewer through trains and more interchanges, whatever Transport Scotland decides in this area it is vital that there is genuine consultation with passengers who would be affected – and cognisance taken of their views.

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?

Passenger Focus comments: Presumably this is possible already – it clearly has potential to provide services that passengers would not otherwise enjoy.

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?

Passenger Focus comment: there would clearly be merit in removing the landlord/tenant split from day to day responsibilities that can result, for example, in station canopies being painted only to a certain height because the upper levels are Network Rail’s responsibility. Passenger Focus encourages Transport Scotland to carefully follow the pilot arrangements that started on the Greater Anglia franchise in England on 5 February 2012.

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

The foundation for such support should be the current ‘adopt a station’ concept that finds community or start-up uses for vacant accommodation at stations.

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

Passenger Focus comment: Our research among over 2,000 rail passengers<sup>14</sup> revealed that the top three facilities it is important to have at a station are:

- Clear visual information as to when trains will arrive
- Staff
- Toilets

And that the top priorities in terms of improving existing facilities are:

- Toilets
- Waiting rooms
- Clear, visual information as to when trains will actually arrive

We strongly encourage Transport Scotland to make it a requirement that passengers at every station in Scotland have a means of obtaining real time running information about their train, including information about delays or replacement bus services. When considering upgrading station facilities it is crucial to consult passengers at each location to understand their needs. This will ensure that expenditure is targeted on the things that will make most difference to the passengers using that particular station.

### **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?

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?

Passenger Focus comment: Many passengers use the cross-border services that start and terminate beyond Edinburgh precisely because they are through trains and they wish to avoid changing. Were those trains to run only to and from Edinburgh, there may be a reduction in long-distance travel by rail in favour of air which may not be regarded as desirable. If this idea is pursued, genuine consultation must take place with the passengers who will be affected before any decision is made.

### **Rolling stock**

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

Passenger Focus comments: In Section 2.4, we encourage you to consider if capacity-busting peak only rolling stock could be acquired and maintained on a low mileage basis to augment capacity on

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<sup>14</sup> National Station Improvement Programme, Final report, January 2010 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=3470>

peak trains. Perhaps Transport Scotland could purchase fully-depreciated diesel trains which it could refurbish and make available to the franchisee for this purpose?

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

Passenger Focus comments: in qualitative research undertaken by Passenger Focus in Scotland<sup>15</sup> the elements identified by passengers were:

- a clean and modern interior (to include easily maintainable materials);
- comfortable seats (which included elements such as large, roomy chairs; leather seats; reclining/adjustable seats; heated seats; movable armrests; high head rests);
- adequate legroom;
- temperature control (ideally individually controlled air vents above each seat);
- more luggage space (including under/between seats, overhead and in designated luggage racks) which is more secure (examples included lockers and overhead
- compartments with doors as found on aeroplanes);
- cleaner and bigger toilets (to include features such as hand sanitisers; hand dryers; baby changing);
- wi-fi;
- power points;
- increased and noticeable safety features (including CCTV; button to contact the driver/train staff; fire extinguishers, break glass hammers and signs; exit signs; and first aid signs);
- handrails to aid standing;
- more, larger and obvious bins.

### **Passengers – information, security and services**

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

Passenger Focus comment: one of the advantages rail has over car travel, and to an extent over air, is that time can be used more productively in doing other things while travelling. However, if that value of time is to be realised passengers need to be able to make telephone calls, use the internet etc. Although applicable to leisure travel, this issue emerged particularly when Passenger Focus carried out research among business travellers.<sup>16</sup> Therefore Transport Scotland should consider requiring power points to be fitted to trains operating longer-distance services, the provision of wi-fi facilities on trains (and at stations for those waiting to catch a train or changing between services) and enhancing mobile telephone reception.

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?

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<sup>15</sup> Designing the Future - Rolling Stock Design, Passenger Focus, October 2010 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=5312>

<sup>16</sup> Employers' business travel needs from rail, Passenger Focus, February 2009 <http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=2564>

Passenger Focus has no specific comment here.

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

Passenger Focus comments: Passenger Focus would not favour a blanket ban on the consumption of alcohol on all Scotrail trains, but specific measures to tackle alcohol-related anti-social behaviour on particular routes should be encouraged. It is however questionable whether the consumption of alcohol during the journey itself is really the problem – that is, weighed against potentially several hours spent drinking before getting on the train. If the objective of a ban would be to reduce anti-social behaviour on trains, passengers tell us<sup>17</sup> that their top three initiatives would be: not allowing rowdy or drunk people to board the train in the first place; greater visibility of rail staff on trains; and greater police visibility on trains.

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

Passenger Focus comment: please see Section 2.5.

### **Caledonian Sleeper**

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

Passenger Focus comments: We assume that this section of the consultation document has been overtaken by the Scottish Government's December 2011 decision to at least match the Westminster Government's £50m investment in sleeper services. Having made that decision, the sleeper services presumably will be specified in the new franchise?

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?

Passenger Focus has no specific comment here.

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?

The last NPS research specifically among users of sleeper services was in 2009/2010 and showed relatively high levels of satisfaction, although the Caledonian Sleeper (89% overall satisfaction) scored lower than the Night Riviera Sleeper (94% overall satisfaction)<sup>18</sup>. Assuming that sleeper services are specified in the new franchise, we recommend that Transport Scotland requires bidders to set out how they propose to measure and improve passenger satisfaction with the service.

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<sup>17</sup> Anti-social behaviour report: rail passenger views, Passenger Focus, February 2010 [www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=3629](http://www.passengerfocus.org.uk/news-and-publications/document-search/document.asp?dsid=3629)

<sup>18</sup> National Passenger Survey, Autumn 2009 and Spring 2010 waves combined

In terms of additional facilities on sleeper trains, we encourage Transport Scotland to consider power points for charging telephones and laptop commuters etc. and *en suite* toilet and shower facilities. These are now hygiene factors in even low-end budget hotels and not luxuries you would expect to pay extra for. Wi-fi connectivity should also be considered. The assumptions around width and length of beds should also be reviewed, given changes in average human body size since the current rolling stock was designed.

The option to travel in seated accommodation rather than a berth should be retained.

Finally, to facilitate interchange with international services via the Channel Tunnel, the practicality and advantages and disadvantages of making either London Kings Cross or London St. Pancras International station the southern terminus for Caledonian Sleeper services should be investigated.

### **Environmental issues**

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

Passenger Focus comment: You may wish to consider incentivising greater energy efficiency and/or investing to reduce energy consumption within the station estate. For example, a number of local authorities are embarking on major capital expenditure to replace conventional street lighting with LED installations, realising long-term energy and maintenance cost reductions. Incentives to improve the heat efficiency of station and other railway buildings may also be worth considering.