Infrastructure and Capital Investment Committee

6th Report, 2012 (Session 4)

Rail 2014: Renewal of Scottish Passenger Rail Franchise

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Infrastructure and Capital Investment Committee

Remit and membership

Remit:

To consider and report on infrastructure, capital investment, transport, housing and other matters falling within the responsibility of the Cabinet Secretary for Infrastructure and Capital Investment, apart from those covered by the remit of the Local Government and Regeneration Committee.

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Rail 2014: Renewal of Scottish Passenger Rail Franchise

The Committee reports to the Parliament as follows—

Introduction

Rail 2014 franchise
1. The current Scottish passenger rail franchise and Network Rail budget period will end in mid-2014.

2. The passenger rail franchise is one of the biggest contracts let by Scottish Ministers, worth nearly £1.5bn over the course of the current spending review, and is managed by Transport Scotland. The seven-year contract was awarded to FirstGroup plc, operating as First ScotRail Limited, in August 2004. A three-year extension was agreed in April 2008.

3. In advance of the new franchise period, Transport Scotland launched a consultation in November 2011, with the aim of collecting views from key stakeholders on the future development of Scotland’s rail industry.

4. In addition to the passenger rail franchise, the Committee has also taken a limited quantity of evidence on the next High Level Output Specification. The HLOS details the strategic outputs that the Scottish Government will require the rail operators to deliver in return for public subsidy.

5. This is the first time that the passenger rail franchise and the HLOS has been scrutinised by a committee of the Scottish Parliament.

Evidence-taking by the Committee
6. The Committee heard oral evidence from a number of public and private sector organisations, including groups representing passenger interests, local authorities, transport trade unions, the Association of Train Operating Companies, Network Rail and two rolling stock companies.

7. Extracts from relevant meetings of the Committee are included at Annexe A, and a list of the oral and written evidence received by the Committee is included at Annexe B.
Summary of key findings

The following key recommendations emerged from the written and oral evidence received by the Committee and form its main findings—

- The next franchise period must pave the way for progress towards meeting the efficiency targets recommended by the McNulty review and ensuring that Scotland’s railway delivers increased value for money. Savings could be found by reducing the duplication of services and improving communication between the various interfaces within the rail industry in Scotland.

- There is a strong case for having longer franchise periods and it is suggested that a period of 10 years, with an option to extend by a further three years, might be appropriate. This should promote stability and enable long-term planning of rolling stock and resource requirements.

- The current performance and quality measuring regimes (PPM and SQUIRE) should be updated to better reflect passengers’ interests and experiences—
  - the target for measuring train punctuality should be reduced from five and 10 minutes to one minute to better indicate the impact on passengers; and
  - the measure for assessing station and train quality should include points that relate to their ease of access, the quality and accuracy of information and signage, and the availability of ticketing facilities.

- The franchise renewal process provides a good opportunity to promote a more integrated approach to public transport and to address issues such as overcrowding.

- The fare and ticketing structures require further simplification, possibly through an integrated system that allows travel on all modes of public transport.

- The station improvement programme should continue to upgrade facilities to ensure that they are fully accessible for all passengers. Priority should be given to accelerating improvements at those stations that have been identified as still in need of development.

- Rolling stock needs for Scotland should be reviewed on a long-term basis and with a view to committing to regular upgrades and improvements. In particular, the Committee noted the comments about longer distance route carriages being outdated and uncomfortable. The Committee also encourages consideration of the standardisation of rolling stock whilst assuring that this is flexible enough to meet specific needs.
KEY ISSUES

Cost of the GB railway industry

8. The consideration of the rail franchise 2014 contract takes place in the wider context of a discussion on the overall cost of the GB railway industry, which is generally regarded as more expensive than it should be.

9. The McNulty report, an independent assessment of the value for money of GB railways, which was published in May 2011, demonstrated that the GB rail industry had major problems in terms of efficiency and costs. McNulty proposed a target of 30% reduction from the 2008/09 level of industry unit costs by 2018/19.

10. As part of the review, McNulty commissioned a detailed benchmarking exercise comparing GB rail with railways in four other countries – France, the Netherlands, Sweden and Switzerland. The report considered that, although benchmarking was seldom an exact science, the clear indication was that GB rail costs would need to be reduced by around 40% to match those comparators.

11. The report offered some suggestions for the cost differential—

“As has been indicated by previous benchmarking done by the Office of Rail Regulation, and notwithstanding the fact that Network Rail delivered a 30% cost reduction during Control Period 3, Network Rail’s higher costs are still a significant reason for this gap. However, Train Operating Company and Rolling Stock costs also contribute to GB rail’s higher costs, primarily because of the lower level of train utilisation here, i.e. fewer passenger-kilometres generated per train-kilometre.”

12. From the benchmarking exercise, the McNulty report concluded that a result of GB rail’s costs being so high was that passengers and taxpayers were paying more than their counterparts in those other countries. It stated that “passenger fares per passenger-kilometre on average are around 30% higher in GB and, although it is difficult to compare Government funding streams in different countries, it seems likely that the UK taxpayer is also paying at least 30% more than taxpayers elsewhere”.

13. The high cost of Scotland’s railway was also reported to the Committee in the course of its scrutiny of the Scottish Government’s draft budget 2012-13. David Connolly, an expert witness from MVA Consultancy, told the Committee that in terms of the number of passenger kilometres, the system was “massively overfunded by the Scottish Government and taxpayers’ money”. Similarly, Professor Iain Docherty asked whether we are content to let the industry continue.

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1 McNulty Report, 2011, Rail Value for Money Study. The review, jointly sponsored by the Department for Transport and the Office of Rail Regulation, recommended ways in which the rail industry could work towards delivering a safe and efficient railway which represents value-for-money for customers and taxpayers.

to be more or less 30 per cent inefficient over the lifetime of the budget. The Committee concluded that whilst some progress had been made in managing rail industry costs, Transport Scotland should continue to seek efficiencies and savings during the next refranchising exercise.

14. In oral evidence to the Committee on the rail franchise arrangements, Network Rail responded to concerns about the excessive cost of the GB railway in comparison with other European countries—

“Many of the comparisons with Europe do not involve apples and apples; if you look at the detail, you will see that we are not grossly inefficient, as some observers suggest. There are areas in which we are very efficient, but we recognise that there are areas in which we have work to do – we are working on a number of alliencing initiatives with our customers to identify more opportunities for efficiencies by knocking out the duplication that exists.”

15. Network Rail also referred to the efficiency savings that it had made in recent years—

“If you look at Network Rail’s track record, you will see that we have delivered 27 per cent efficiencies in our most recent five-year control period. We are on target to reach 23 per cent in the current control period, and we think that we can reach 16 per cent in the next period.”

16. The Committee acknowledges the concern that was raised in evidence that the GB railway industry receives a higher level of public investment and that the cost of travelling on the railway is higher than in other European countries. As the McNulty report suggests, savings need to be found in relation to the operation of Network Rail as well as the train operating companies and rolling stock companies.

17. The Committee also acknowledges, however, that given the way in which the industry is structured and operated across the UK, the Scottish Government is limited in what it can do to deliver fundamental changes to the structure of the rail industry in Scotland.

18. Whilst the overall cost of the railway in Scotland is a major issue and perhaps one that merits an in-depth analysis beyond the consideration of the rail franchise 2014, the Committee believes that the new franchise offers an important opportunity for Transport Scotland to ensure that some savings are made. If anything approaching the McNulty target of 30% efficiency savings is to be realised during the next franchise period it is essential that the new franchise is structured in a way that will deliver these. The Committee calls upon the Scottish Government to ensure that delivering

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efficiency savings is a key factor in determining the shape of the new franchise.

**Procuring rail passenger services**

*Management model for the rail franchise*

19. In the context of the rail franchise, transport trade unions put the high cost of the railways down to what they saw as the private train operating companies benefiting from, but not putting money back into, the railways. The Transport Salaried Staffs Association (TSSA) called for a change in direction from the current model and the National Union of Rail, Maritime and Transport Workers (RMT) put forward the case for public ownership of the railways by suggesting that, had First ScotRail not paid dividends in 2010, passenger rail fares could have been reduced by 7%. The Associated Society of Locomotive Engineers and Firemen (ASLEF) suggested that a not-for-dividend franchise could be an alternative option. It said that such a system would prevent the private franchisee from paying out dividends to its shareholders and instead put revenue back into the service.

20. The Association of Train Operating Companies (ATOC) considered that the issue was more about obtaining value for money. In considering whether the franchise should be let as a management contract, where an operator is paid a fee to provide a service, rather than as a traditional franchise, it preferred the latter. ATOC advocated the traditional franchise model where the franchisee takes full responsibility for the costs and revenues of the train operation, therefore allowing it to manage them more effectively.

21. Possible alternatives to running the franchise as an entirely private enterprise, such as via a third-party cooperative, were suggested by some witnesses. Passenger Focus and Railfuture Scotland supported the idea of community rail partnerships, which had been shown to work in England and Wales, being written into the franchise arrangement.\(^6\) This partnership would involve the franchisee working with a regional transport partnership, local community group and the local council to deliver services tailored to the needs of local communities, such as timetabling and ticketing. Passenger Focus stated that a possible option would be for councils to work with community rail partnerships to create a partnership with local residents “delivering what is best for that railway – the local community and for tourism in that area”.\(^7\)

22. Network Rail also favoured the involvement of a third party, but in terms of investment. It considered that such external private financial input would be beneficial to the establishment and development of stations.\(^8\)

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23. However, the RMT and TSSA expressed concern that the involvement of third parties in, for example, the management of stations, could have severe safety implications and could lead to the further fragmentation of the railways.9

24. As highlighted in its report on the Scottish Government draft budget 2012-1310, the Committee considers it essential that the 2014 rail franchise agreement includes, at its heart, the requirement for the railway to offer value for money. To the Committee, this means making efficiency savings by stripping out the duplication of services and improving communication between the various rail industry interfaces wherever possible. To this end, the Committee has looked at possible alternatives for managing the franchise and invites Transport Scotland to fully consider the options. The Committee believes that any change to the contract structure must not stifle the ability and interest of the franchisee to improve and innovate.

25. In addition, the Committee is supportive of the idea that third-party co-operatives could be involved in financing elements of the rail infrastructure in appropriate circumstances. However, the Committee would be wary of the added complications that such an arrangement could bring in terms of the overall management of the railway and in the accountability of the franchisee. The Committee encourages Transport Scotland to consider these various alternative models for the rail franchise in Scotland.

Multiple or dual-focus franchise
26. Transport Scotland’s Rail 2014 consultation included a number of possible options for structuring the Scottish passenger franchise. These included letting multiple franchises, or operating a single franchise under a dual-focus arrangement.

27. Passenger Focus told the Committee that it had conducted a survey and reported that passengers generally had no concern about how the franchise was run, and that they just wanted value for money, punctuality, frequent services and to get a seat. That said, it expressed the concern that a dual-focus, or multiple franchise arrangements could result in duplication of management structures. Railfuture Scotland added to this with the comment that a single franchise would have the benefit of reducing the number of interfaces in the industry.11

28. The transport trade unions opposed any suggestion of breaking up the franchise. The RMT considered that such a move would create a “two-tier railway”, leading to the revenue generating services being supplied with the best rolling stock, thereby further disadvantaging routes that are socially required but unprofitable. The TSSA expressed the view that creating a split service level structure could lead to “operators cherry picking railway services”, allowing private

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companies to win tenders for the financially viable routes and leaving public money to finance the rest.

29. Conversely, ATOC considered that whilst some regulation would always be required, it would welcome a dual-focus franchise that would allow greater flexibility for the more commercial end of the spectrum.

30. Passengers’ View Scotland (PVS) also made this point and considered that whilst the franchise must be underpinned by the need to give passengers what they want, a two-tiered system of rail services could allow both parts to be improved, as each franchisee would be able to identify areas for improvement specific to each service and build on them accordingly.¹²

31. The Committee is not persuaded that Scotland’s railway would represent better value for money were the franchise to be split into multiple contracts or a dual-focus arrangement. The Committee is concerned that adopting such approaches would most likely add further duplication and complexity to the already congested management structure of the railway.

Length of the franchise
32. The Rail 2014 consultation also considered issues around the length of the franchise contract. For the future franchise, the Committee heard opposing views from witnesses as to whether they preferred a longer or shorter contract period.

33. Representatives from transport trade unions expressed the view that, if there is to be a privately-operated franchise then it should be run on as short a term as possible. The RMT suggested that a franchise of no more than five years would allow greater competitiveness in the tendering process.¹³

34. ATOC expressed the contrary view that the franchise should be run on a long-term contract of 15-20 years, to allow the operator to build up expertise and knowledge of best practice, thereby enabling it to run a more succinct and efficient service.¹⁴ It pointed out that the franchisee would then have more time to develop a good working relationship with the infrastructure providers, the local authorities and stakeholders, which should improve all aspects of the passenger rail service.

35. Porterbrook, one of the three Rolling Stock Operating Companies (ROSCOs) in the UK, expressed strong views on the length of the franchise in relation to the upgrade and renewal of trains, a process that involves long-term planning and investment (see also section on rolling stock issues, paragraphs 103-119). Porterbrook was concerned that if the franchise were to be kept to a five-year contract rather than a fifteen year one, there would be no incentive for the operator to carry out the necessary work. The operator could, for example, be focused on securing the contract for the next period and unwilling to invest heavily

in the rolling stock, if it anticipated that carriages would not be in its fleet for longer than five years.\textsuperscript{15}

36. Angel Trains, another of the ROSCOs, supported Porterbook on this issue—

“If we assume that the deadline will not change and that we cannot plan to fail, we could set out contracts … we could start to buy the components and bits of kit … we would try to get commonality to reduce the costs.”\textsuperscript{16}

37. Angel Trains concluded that a longer term franchise would allow greater flexibility in the leasing of rolling stock, which would benefit the quality and appropriateness of the carriages used on routes in Scotland.\textsuperscript{17}

38. Based on the evidence it received, the Committee considers that there is a strong case for having longer franchise periods rather than shorter ones. In the Committee’s view, longer franchise periods should allow stability and should also encourage the franchisee to undertake long-term planning for the management of the railway. For example, this would allow rolling stock quantity and specifications to be known in advance, enabling manufacturing companies to plan for the work and possibly leading to cost savings.

39. The Committee notes that the current franchise agreement was extended for a further three years beyond the initial seven-year period. The Committee considers that this recent experience suggests that a seven-year franchise period may not be the most appropriate and that serious consideration should be given to using the opportunity presented by the franchise renewal process to set a longer franchise period.

40. The Committee therefore suggests that a period of 10 years, with an option to extend the contract by a further three years could be an appropriate length for future passenger rail franchises in Scotland. However, the Committee feels strongly that any opportunity to extend a franchise contract would need to be based on the franchisee’s proven record and likely ability to perform above and beyond a required level of service delivery standards. Any decision to award a contract extension must be taken in good time before the end of the standard franchise period and underpinned by a full business case justifying any extension.

\textit{Level of detail specified in the franchise}

41. Further to the discussion on the length of the franchise, witnesses discussed the level of specification and detail to be included in the future franchise contract. As indicated by its support for a dual-focus franchise, ATOC suggested that train operators would be constrained by the inclusion of too much detail in the contract.


thus preventing them from developing and improving the service. It gave the example of operators being unable to increase the number and frequency of services at present due to the level of bureaucracy involved in making those changes.\textsuperscript{18} ATOC did, however, recognise that there would need to be some specified requirements, such as commuter fares, late night and Sunday services.

42. This view was supported to an extent in other evidence heard, in particular from the trade unions, which disagreed with the expansion of any minimum service requirements in the franchise. ASLEF considered that the franchise must deliver the service that each community requires. It recognised that writing such requirements into the franchise would be a mammoth and difficult task.

43. On the other hand, TSSA was more cautious about handing greater control over to the franchise holder. It suggested that the danger would be that the private operator would run only the services that were profitable, thus enabling the franchisee to determine the delivery of rail services based on profitability, which would not benefit the system as a whole.\textsuperscript{19}

44. The Committee believes that in order for local requirements to be incorporated into the franchise, the contract must be sufficiently flexible and should therefore avoid prescribing services in too much detail.

45. The Committee considers, however, that the contract agreement must include minimum standards for key service delivery, such as intercity services, both peak and off-peak services and weekend services. These minimum standards should apply to the whole of Scotland, although the franchise agreement could include additional specifications for different parts of the network, depending on the type of service required. The Committee considers that such safeguards could help to protect services in rural and other areas that are perhaps regarded as less-commercially viable.

\textit{Indemnity clause}

46. An indemnification clause was written into Scotland’s passenger rail franchise at the beginning of rail privatisation. Under this clause Transport Scotland is obliged to compensate the franchise holder for any loss of revenue in the case of industrial action.

47. Transport trade unions called for the clause to be removed. For example, the RMT argued that the clause did not create an incentive for the train operator to resolve a dispute because the company could expect to receive compensation from the Scottish Government.\textsuperscript{20}

48. ATOC considered the removal of the clause to be an issue for the franchising authority rather than for train companies. However, it suggested that the debate should be broadened out from the clause to the overall cost pressures on the


railways, what those pressures were and potential ways of addressing them. In this way, ATOC considered that the clause could be a potential mechanism for improving efficiency over the long-term, as recommended by the McNulty review.

49. The Committee suggests that Transport Scotland explore whether it is possible to remove the indemnity clause from future rail franchise contracts in Scotland, and to examine the potential consequences of doing so.\footnote{\textit{21} Alex Johnstone MSP dissented from this paragraph of the report.}

\textbf{Achieving reliability, performance and service quality}

50. The performance of Scottish train services are currently monitored through Public Performance Measurement (PPM) and the Service Quality Incentive Regime (SQUIRE). PPM is specified through the High Level Output Specification, which indicates service punctuality and reliability, and SQUIRE assesses station and train quality through regular inspections and audits. Fines for poor performance and incentives to exceed certain standards are linked to both measures.

51. In general, the current performance indicators were well received throughout the evidence heard by the Committee. However, several witnesses suggested that improvements could be made. In relation to PPM, PVS suggested that the current performance monitoring system had not been formed in consultation with passengers and, therefore, did not reflect their experiences of using the rail service.\footnote{\textit{22} Scottish Parliament Infrastructure and Capital Investment Committee. \textit{Official Report, 14 March 2012}, Col 764.} Passenger Focus considered that passengers wanted to know the day-to-day performance of their local services on individual routes.

52. In addition, Railfuture Scotland considered that whilst PPM showed how well services were operating, i.e. whether they were running to time, it did not indicate the magnitude of the problems created for the passenger by the service failing to operate to schedule, or through the cancellation of services. Railfuture Scotland also considered that PPM could usefully include information on how populated or otherwise a service was, which would be valuable information for the operator to have in order to know where and what service improvements could be made.\footnote{\textit{23} Scottish Parliament Infrastructure and Capital Investment Committee. \textit{Official Report, 21 March 2012}, Col 764-5.}

53. Another crucial point raised in evidence to the Committee related to the late-running index, which shows trains that arrived outside of the five and 10-minute thresholds. Local trains are described as on-time if they arrive at their destination within the five-minute threshold; and long-distance trains are judged to be on-time when arriving within the 10-minute threshold.

54. Whilst Railfuture Scotland believed that these thresholds were probably about right, Friends of the Far North Line suggested that on-time should mean, literally, on-time. Similarly, Passenger Focus called for greater correlation between the thresholds and passenger experience—
"For every minute of delay, passenger satisfaction falls by five percentage points … The industry might judge a train reaching Edinburgh nine minutes over time as being on time, hundreds of passengers will be getting off that train dissatisfied at arriving nine minutes late.\textsuperscript{24}

55. ATOC reported that in its view, the existing system is probably the best starting point for the next franchise period, although a move to a right-time system of measurement might be on the table in the longer term. It also stressed, however, that a move to right-time measurement would not necessarily lead to a change in planning and operating the railway because train companies are already planning to right-time.\textsuperscript{25}

56. SQUIRE was generally regarded as an effective and rigorous regime – ATOC told the Committee that it had been calling for such a system to be introduced in England. Also, the TSSA stated that SQUIRE was part of an overall system that had delivered quite high scores for the ScotRail passenger franchise as rated by the general public.

57. Passenger Focus considered, however, that whilst SQUIRE was a good quantitative measure, because of the nature of the regime and the fines involved, passengers’ major concerns were not being addressed at stations in the way that they would be if there was a more qualitative aspect to the regime—

"Passenger satisfaction at a particular station might be quite low, for various reasons, such as a lack of information, an inability to purchase tickets, a lack of ticket vending machines and so on. The operator’s focus is not on such issues; it is on how many sweetie papers are on the platform, because if there are too many it will get fined. SQUIRE is a good regime but it can have the wrong focus."\textsuperscript{26}

58. From the perspective of disabled and elderly passengers, the Mobility and Access Committee for Scotland (MACS) suggested that further measures could be included in the SQUIRE regime, such as those relating to the accessibility and signage at stations.

59. ATOC acknowledged these concerns and advocated a system that is fairly broadly based and that measures satisfaction with ticket retailing facilities and with stations and station presentation, rather than, for example, satisfaction with the amount of litter on the station platform. It suggested that “we have reached the stage in rail privatisation at which there is an opportunity to focus the outputs of the franchises on what passengers really want”\textsuperscript{27}.

60. Whatever mechanism is adopted for measuring performance under the SQUIRE regime, TSSA urged caution so that rail staff were not penalised for poor service instead of focusing on the operators responsibility to ensure adequate staff training. ScotRail staff were widely praised for generally providing an excellent quality of service.

61. Although the PPM regime judges trains to be running to time based on five and 10-minute thresholds, the Committee recognises that train operating companies already plan for right-time scheduling. However, as some witnesses suggested, the Committee considers that these thresholds do not adequately reflect the difficulties and inconvenience caused to passengers who are on trains that arrive late but still within the relevant threshold. The Committee, therefore, recommends that the PPM thresholds should be reduced, on a phased basis if necessary, so that a train will be considered on-time only if it arrives within a minute of its timetabled target.

62. The Committee considers that moving towards a right-time threshold for measuring punctuality will increase the transparency of the PPM regime. The Committee acknowledges the many positive comments expressed in oral evidence about the SQUIRE regime for assessing station and train quality. However, the Committee is concerned that SQUIRE does not adequately reflect the types of issues that are most important to passengers and recommends that the regime is updated to include aspects of station quality, such as availability of accurate train information and signage, opportunities to purchase tickets and ease of access.

Scottish train services, fares and stations

Services

63. ScotRail provides a full range of passenger rail services, ranging from high frequency suburban to long-distance intercity services. The current franchise requires the operator to ensure that there is sufficient carrying capacity to meet passenger demand. ScotRail’s current target aims to ensure that all passengers should have a reasonable expectation of getting a seat within 10 minutes of boarding a train (except between Glasgow Central and Paisley Gilmour Street).28

64. Overcrowding was highlighted as an issue that affects many of the rail services in Scotland, in particular on trains running at peak times. Drawing on its research into the problem, PVS suggested that in order to solve overcrowding (which occurs in general on shorter distance commuter journeys at peak times) more than a simple reduction in fares would be necessary. It estimated that a reduction of over 25% in the cost of fares for off-peak travel would be required in order to make any tangible difference to the number of people traveling at peak times.29 PVS also suggested that congestion-buster trains could be used on certain peak-time services (although this would not be cost-effective for use on entire routes) in order to reduce standing time.

65. That said, PVS and Railfuture Scotland both commented that changing passengers’ travel habits would require effort by, for example, the wider business and economic sector in changing working patterns.30

66. MACS was concerned for rural areas in particular where, due to a lack of frequency of trains, passengers often had no option but to use the more costly peak services. It suggested that this could impact most on disabled or elderly passengers who were perhaps unable to drive and so had no choice but to use the train.31

67. Network Rail mentioned that it had invested in new platforms and concourse capacity at several stations in Scotland. Developments at Glasgow Central Station had allowed longer trains to use the station thereby reducing congestion, particularly at peak times.32 Other improvement work was also underway at Edinburgh Waverley where Network Rail was working with a third-party developer “to significantly increase the concourse size and to provide access”33. Also, Network Rail hoped that work at Queen Street would provide “more capacity for trains, more capacity for passengers to use the station and a much more pleasant environment than the current one”34.

68. Given the diverse nature of the Scottish rail network, there is often a tension between a desire to reduce end-to-end journey times while ensuring adequate services at intermediate stops. Passenger Focus told the Committee that, in its view, the current franchisee does not get the right balance between a high number of stops and short journey times. It suggested that the answer was to have a train that connects into and out of the fast services. Friends of the Far North Line considered that improvements in the rail infrastructure were required, for example, to build more loops and double tracks, which would allow greater flexibility and a reduction in journey times.35 When questioned on the loops proposed for the Aberdeen to Inverness route, Network Rail told the Committee that the project was waiting for funding before work could commence. Network Rail also referred to improvements on the Highland main line which it hopes will reduce journey times.36

69. In recognition of the fact that passengers do not wish to change trains if at all possible, witnesses supported an emphasis on through trains. The RMT suggested that provision of through trains was the most important thing that could

be done to increase accessibility for disabled passengers.\(^{37}\) Railfuture Scotland suggested that a mix of through and interchange stations was required. It warned, however, that adding stations should not be used as a quick fix to save greater overall investment in the network.\(^{38}\) Other considerations included making travel as easy as possible for the passenger by ensuring that tickets could be purchased for entire routes and that interchange stations are properly staffed.

70. In addition, concerns were raised about the lack of rail connectivity with other public transport modes. Witnesses agreed that Scottish train services could benefit from an improvement in connectivity. For example, from a disabled passengers’ perspective, MACS emphasised the importance of rail services being planned so as to connect with each other and with suitable bus services. Passenger Focus was concerned about the lack of connectivity between trains and ferry services, and called for greater alignment.\(^{39}\)

71. The Committee recognises the improvements that have been made at several stations to upgrade the facilities and to improve access to rail services. However, the Committee considers that the franchise renewal process should be used to encourage further development of the rail service and to address particular problems, such as overcrowding. The Committee suggests that further trials and investigations into rolling stock reallocation and infrastructure improvements will be necessary in order to improve all aspects of the service.

72. Evidence has suggested that the improvement of transport connectivity will be instrumental in upgrading the rail service. The Committee recommends that a more integrated approach to planning public transport is taken by all parties involved and that communication between these bodies is strengthened.

**Fares**

73. Scottish rail fares are a mixture of regulated and unregulated fares. Increases in regulated fares are controlled by Transport Scotland through the rail franchise contract.\(^{40}\)

74. The fare structure for Scottish railways was criticised as over-complex and unfair. Railfuture Scotland, for example, said that passengers were penalised for staying overnight in Edinburgh or Glasgow, as the cost of a single journey was 99% of the day return. Other examples included travelling on the Stranraer line.

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\(^{40}\) Regulated fares in Scotland are: all ScotRail season tickets; all ScotRail off-peak returns; all fares in Strathclyde area; and standard and season tickets in the Edinburgh commuter area. All other fares for Scottish flows are unregulated and can be set by the franchisee on a commercial basis.
where a passenger can travel in one direction for £10 but returning is £5-£10 more expensive.\textsuperscript{41}

75. The cost of fares was considered to be a barrier particularly for families. It was suggested that in order to ensure that train travel offers value for money against travel by car, the cost of the train must take account of door-to-door costs.

76. ATOC acknowledged that while the fares system had been simplified, there was room for improvement and further simplification. It suggested that the further work could be done to look at the regulatory framework around fares and ticketing, and welcomed a recent consultation by the Department for Transport in this area.\textsuperscript{42}

77. The Committee welcomes the recent simplification of the fares structure, but agrees that there is further work to be done on this issue. This could be done by implementing a new ticketing process, such as the smart ticketing system, currently used in parts of Scotland\textsuperscript{43} and England. Fares could also be simplified through an integrated ticketing system, whereby one ticket could be bought for use across all methods of public transport, similar to the Oyster card used in London.

78. The Committee would be interested to know whether Transport Scotland has engaged with the Department for Transport over its recent consultation on fares and ticketing. It recommends that options for simplifying the ticketing system and making fares structures more equitable under the next franchise should be given serious consideration by Transport Scotland.

\textbf{Stations}

79. The majority of Scottish railway stations are operated by ScotRail under Network Rail ownership. Glasgow Prestwick Airport station\textsuperscript{44} is owned and operated by the airport, Dunbar station is operated by East Coast and Edinburgh Waverley and Glasgow Central by Network Rail itself.

80. The quality and number of stations in Scotland was a key element of the Rail 2014 consultation. The consultation document stated—

\begin{quote}
“We do not intend to reduce the size of the Scottish rail network, or reduce the number of stations, but we are considering whether it would be possible to re-configure the network by reviewing the location of stations. We would welcome views on what locations may be more appropriate for stations and which current stations are no longer required.”\textsuperscript{45}
\end{quote}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{43} http://www.scotrail.co.uk/content/smartcard-season-tickets-now-available-online?full_site=1
\item \textsuperscript{44} It is understood that Network Rail is in the process of discussing taking ownership of Glasgow Prestwick Airport station.
\end{itemize}
\end{footnotesize}
81. Following receipt of responses to the Rail 2014 consultation the Minister for Housing and Transport stated, in a press release on 5 March 2012, that no stations in Glasgow would be closing and that Transport Scotland was “looking at ways in which we can support the development of new stations on the rail network”\(^\text{46}\).

82. On the issue of reopening Scottish railway stations, the Committee considered a petition (PE1115) at its meeting on 14 December 2011\(^\text{47}\). The petition was lodged by the Campaign to Open Blackford Railway-station Again (COBRA) and sought to ensure that national and regional transport strategies concentrate and reflect on public transport solutions, such as the reopening of Blackford railway station.\(^\text{48}\) The campaign group hoped that this would increase accessibility to and from certain areas of Scotland, resulting in social and economic benefits.

83. Transport Scotland’s position on the petition was that it had no plans to reopen Blackford station at the present time. The Rail 2014 consultation made reference to ‘re-configuring’ the rail network, in order to improve access, increase economic growth and aid modal shift. It also states that—

“The current policy is that new stations, subject to a positive STAG appraisal, will be considered favourably where the surrounding population, workplace or visitor need is sufficient to generate a high level of demand.”

84. Network Rail expressed concerns over the practicalities of the involvement of multiple partners in station management, suggesting the current system has led to inefficiencies. It stated that “the contracts that exist between Network Rail, train operators and other operators are labyrinthine”\(^\text{49}\) and went on to suggest that the system would benefit from a more coherent working approach between operators and the franchisee. In many stations there will be a range of different companies sub-leasing facilities in different parts of the station, presenting a confusing picture and potentially inefficient service to passengers. Network Rail stated—

“… it is still not clear who is responsible for various bits of stations. That is, obviously, sub-optimal for passengers and other rail users. We are tackling that in a serious way as part of our alliancing proposals with First ScotRail … we are thinking about which organisation is best placed to get maximum benefit from stations and improve the passenger environment.”\(^\text{50}\)

85. Network Rail suggested that the rail industry could be simplified if a partnership between the franchisee and the providers was established and stated


that it has added to this process by forming an “alliance framework agreement with ScotRail.”

86. Network Rail advocated that this would reduce the number of companies involved in the operation of a station, leaving the overall management to the infrastructure owners and the customer facing aspect of the station to the franchisee. It expressed the view that this simplification would greatly benefit rail customers, utilising each organisation’s skills to provide a straightforward, user-friendly system and well maintained stations.

87. Another suggestion for improving station facilities and amenities, without overburdening the station managers or the franchisee, was the ‘adopt a station’ initiative, referred to by ATOC. This allows local businesses and community groups to apply to use vacant areas in stations rent-free. This initiative has been trialled in some Scottish stations and has promoted the growth of local businesses and increased community involvement with stations.

88. Network Rail referred to the progress it has made in opening new stations across Scotland over the last decade. It believed that this has encouraged more people to use the railway and it will continue to invest in building and developing stations. It also referred to the trials taking place in other parts of the UK, to find ways of improving customer services at stations.

89. MACS raised extensive concerns over the comfort and accessibility of stations, which impact disproportionately on elderly or disabled passengers, as well as those with luggage. MACS referred to the difficulties experienced by passengers in navigating stations due to steps, bridges, a lack of ramps or lifts, and in relation to the gaps between platforms and trains.

90. In response to these concerns, Network Rail stressed that it was committed to making stations accessible and had “worked closely over the past few years to target expenditure in the Access for All Fund, which is a UK fund, on stations in Scotland that would benefit most from improved access.” However, despite the work it had undertaken to improve station accessibility, particularly for disabled people, Network Rail agreed that further improvements were needed, identifying Ayr as a key station in need of development due to its status as a transport interchange.

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54 Current stations involved in initiative are Pitlochry; Lanark; Arbroath; Maxwell Park; Wemyss Bay; Girvan; and Kilmarnock. See First ScotRail website: http://www.scotrail.co.uk/content/adopt-station
91. The Committee welcomes the Minister for Housing and Transport’s confirmation that no stations in Glasgow are due to close and supports Transport Scotland’s continued investigation into opportunities to reopen or increase the number of stations, where appropriate.

92. Responding to concerns over the accessibility of stations the Committee supports the continued upgrades to station infrastructure, facilities and amenities, for example in the building of new entrances, walkways, lifts and platforms, in order to make them fully accessible for all passengers. However, it considers that priority should be given to accelerating improvements in accessibility at those stations which have been identified as still being in need of development.

93. The Committee supports the move to involve communities in the management of their local station, such as the ‘adopt a station’ approach, however emphasises that this is an incentive that must be properly funded and receive adequate support from the Scottish Government, the franchisee and the station managers, if it is to be successful. The Committee also notes that the success of community involvement projects may be largely dependent on a longer, more flexible franchise contract.

94. The Committee notes Transport Scotland’s announcement of the Scottish Stations Investment Fund58 which could provide an opportunity for organisations, such as the COBRA petitioners, to apply and state their case for the reopening of stations.

Cross-border services

95. Other than ScotRail, four franchises59 currently operate rail services between Scotland and England. These four franchises are let by the Westminster Government through the Department for Transport. Transport Scotland does not have a direct role in the specification of these franchises, but is entitled to advise the Secretary of State for Transport on its expectations for the operators.

96. The Rail 2014 consultation put forward the suggestion that all cross-border services that travel north of Edinburgh could terminate at Edinburgh Waverley, making Edinburgh an interchange station for the East in the same way as Glasgow is a hub in the West. Passenger groups and transport trade unions were very much against the suggestion that cross-border passengers would be required to change trains at Edinburgh or Glasgow for onward travel in Scotland.

97. For example, ASLEF stated that—

59 East Coast Trains; Cross Country Trains; First TransPennine; Virgin Trains.
“The cross-border services must be preserved, full stop. The proposal would drive folk off the railway. We would be doing a disservice to people outwith the central belt and it would be wrong.”

98. Other concerns were raised about the impact that these proposals would have on reducing competition on the Scottish railway. The RMT suggested that it would not be beneficial for the Scottish taxpayer if competition stopped at Edinburgh or Glasgow and there was a monopoly for the rest of Scotland.61 Other concerns were expressed about what would happen to the employees of cross-border services, who would not necessarily be taken on by the Scottish franchisee.

99. ATOC acknowledged that the cross-border services provide a major slug of capacity, which would be quite challenging to replace. It also considered that the rail system needs to be planned on as large a canvas as possible, and referred to the timetable planning that already takes place between ScotRail and the East Coast and CrossCountry franchisees.62

100. ATOC was less concerned about any impact on competition that the re-configuration of cross-border services could have and suggested that the commercial viability of the service was the key issue.

“It would certainly lead to less competition, but I do not think that that is the main point. The debate about cross-border services has been around for a long time. Clearly, some of them run quite empty. That is certainly the case for those up to Aberdeen and across to Glasgow in the late evening. That situation is balanced, though, by some of them being very full. The issue has always been viewed as a cost point more than a track-competition point.”63

101. However, the Committee notes that on March 2012, the Minister for Housing and Transport, confirmed that the proposal to remove direct cross-border trains services to the north of Scotland will not be taken forward.64

102. The Committee welcomes the Scottish Government’s commitment that the cross-border services to the north of Scotland will continue. The Committee considers that these intercity services are essential for the economic development of Scotland and the UK as a whole and must be maintained. The Committee hopes that these cross-border services can be further developed in the future to bring high-speed rail services to Scotland, which is an issue that the Committee will continue to pursue during the course of the parliamentary session.

Rolling stock

103. Under the current passenger rail franchise domestic services are provided by six different classes of electric multiple unit trains and three classes of diesel multiple units. All trains are leased from one of three rolling stock companies (ROSCOs). Leases tend to run for the length of a franchise, so at the end of the current franchise all ScotRail trains will come off-lease, with the exception of the new Class 380 units serving North Berwick and Ayrshire. However, evidence suggested that there would be limited scope for the new operator to acquire different rolling stock, as there will be almost no other rolling stock off-lease at the time the new Scottish passenger rail franchise will begin.

104. It has been suggested that the Edinburgh Glasgow Improvement Programme, which is due to start coming on-stream in 2016, will require the purchase of a large new fleet of electric trains, which could allow the cascade of current diesel units operating on those routes to other parts of the Scottish rail network.

105. In the main, evidence received by the Committee on the quality and management of the rolling stock was unfavourable. Witnesses on all panels were critical of the current standard of the rolling stock used by the ScotRail franchisee. For example, the carriages on longer-distance routes were considered to be outdated and uncomfortable, particularly in comparison with other operators in direct competition.

106. PVS noted that ScotRail had long-accepted that the DMUs were not suitable for longer journeys, but that nothing had yet been done to resolve the problem.

107. MACS also referred to the difficulty and discomfort faced by disabled passengers when travelling on carriages other than the Class 380, which were unsuitable for more than one wheelchair user to travel at a time.

108. Angel Trains agreed that there was a problem regarding the suitability of some of the carriages currently used on routes throughout Scotland. It expressed the view that many of the alterations needed to improve the rolling stock could be done through upgrades and reallocation of carriages, although there were cases where procurement of new trains would be necessary.

109. Other concerns raised in evidence related to the operation of the ROSCOs. ASLEF and TSSA criticised the ROSCOs for taking substantial amounts of money out of the industry in profits without re-investing. ASLEF suggested that—

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65 The current fleet consists of 137 three and four car electric units (EMUs) and 155 two and three car diesel units (DMUs). A “Multiple Unit” is a set of self-propelled railway carriages. Carriages are powered by under floor motors. Multiple units can combine with others of the same class, and sometimes other classes, to increase the size of the train, e.g. ScotRail class 170 Turbostars consist of three linked carriages, the only way to increase the size of a Class 170 is to link another appropriate multiple unit to those three carriages.


“we need to look at where we get the trains. Yes, it would be a big investment of capital expenditure to buy your own trains but, in the long term, that has to be cheaper than continually going back to a monopoly that will decide what trains you can get and how much they will charge you.”

110. Angel Trains and Porterbrook identified that considerable savings could be made through the standardisation of rolling stock. The ROSCOs currently own 56 types of train, however, estimate that six would be a preferable range. The servicing and upkeep of so many different trains involves the purchase of a large variety of parts and engineering work, which costs the ROSCOs more, thereby increasing the cost for the leasing of the stock.

111. Linked to the calls for a longer franchise period, Angel Trains suggested that the ROSCOs would greatly favour a long-term strategy for the standardisation of rolling stock and that, in the long run, this would benefit the operator, the customer and the taxpayer by reducing overall costs.

112. However, the Committee notes that responsibility for the procurement of rail services lies with Transport Scotland or the Department for Transport, and therefore such a strategy must come from them.

113. TSSA was concerned about the lack of competition in the rolling stock market. The rolling stock for all franchises must be purchased from only three companies, which do not have enough of all types of carriages to supply all franchisees asking for them. The carriages, therefore, go to the highest bidder.

114. ATOC add to this with the suggestion that the system of Transport Scotland purchasing the rolling stock has complicated the process and if it were left to the franchisee, who are likely to have a better idea of the style of carriages required, there would be more potential for the rolling stock to fit with rail services.

“We have had a system in which Transport Scotland has procured the trains itself … and that is a route that we could take. It can be done and it is what the Department for Transport is doing in England … about a quarter of the train fleet, are being procured on that basis, but our preference remains for rolling stock procurement and provision to be done via the franchisees.”

115. Angel Trains made the point that there is no law that prevents other bodies from owning and managing the rolling stock in Britain, however, the current system has allowed “a bridge for the investing community”. It suggested that international investors were more likely to invest in a company that they view as a safe venture and from which they would be likely to see a steady return. Angel

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Trains commented that this has so far generated £3 billion, of investment in the rolling stock.

116. Porterbrook supported this point by adding that ROSCOs also carry the investment risk. It noted that it would be for Transport Scotland to decide if that management and risk could be carried by a government entity in the future.

117. The Committee is concerned about the issues raised in evidence that the rolling stock used on certain routes under the current franchise is not fit-for-purpose, lacks flexibility of deployment and adaptability, and requires upgrading to meet accessibility and environmental requirements.

118. The Committee is also concerned about the apparent lack of long-term planning in the deployment of rolling stock. The Committee considers that a much more strategic view must be taken of rolling stock so that requirements can be planned well in advance, thereby bringing cost efficiencies and stability in the fleet over the long-term. The Committee considers that the franchisee must be required, as part of the contract agreement, to undertake this long-term planning in conjunction with Transport Scotland and the ROSCOs and that this process must begin urgently.

119. In addition, Transport Scotland should undertake a longer term review of the rolling stock needs for Scotland to include the term of the next franchise and beyond, with a view to committing to regular upgrades and improvements of rolling stock to create greater stability in the market and promoting greater value for money from the public sector’s investment. As part of this review, the Committee suggests that Transport Scotland should also identify scope for the standardisation of rolling stock whilst ensuring that it meets the specific needs of passengers travelling across Scotland’s rail network.

Passengers’ comfort, security and information

120. The passenger experience is an important aspect of rail travel. The Committee understood that people are unlikely to travel by train if they consider it likely to be uncomfortable and/or unsafe. This issue is particularly pertinent given the need to encourage modal shift away from car travel as a contribution towards meeting greenhouse gas emissions reduction targets.

121. ASLEF considered that in order to ensure passenger safety there needed to be more than one person (including the driver) employed to work on each train.73 The move to run driver-only operated trains on the Bathgate line was strongly opposed.

122. Another key issue related to the provision of accurate, timely and easily accessible travel information. Railfuture Scotland suggested that the majority of passengers get frustrated when a train runs late and they are given no information.

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or receive conflicting information. Other passenger groups strongly agreed and Passenger Focus suggested that a joint-response from Network Rail and the passenger rail franchisee was required in order to get the correct information to the passenger quickly.74

123. TSSA suggested that ScotRail had learned lessons from the severe winter disruption in 2011, where some of the information systems were discovered to be unsatisfactory. The provision of real-time information during periods of disruption was highlighted by RMT and ASLEF, which called for greater investment in, for example, text messaging and public address systems. The new global system for mobile communications on the railway (GSM-R) could have a role in improving the flow of information to passengers.

124. ATOC confirmed that it currently controls the national rail enquiries website, which provides some real-time information and has recently proposed that the system be upgraded to provide a better information technology backbone across the country. ATOC also suggested that systems for updating information screen displays in stations, via the TRUST system, (a national information system recording train running times, locations and delays) was an out-dated method and that a proposal to improve the system was being planned.75

125. Porterbrook stated that it had invested in passenger safety and comfort through measures such as installing internal and forward-facing CCTV. It also mentioned that air conditioning and alterations to technical aspects of the train could greatly improve the service to passengers.

126. Other comments were made about the standard of on-board services, such as the availability of Wi-Fi and catering. Passenger groups did not consider the catering facilities to be sufficient, particularly on long-distance journeys. ASLEF also pointed out that a poor standard of catering and Wi-Fi applied to the First-operated TransPennine service in England.76

127. In relation to Wi-Fi, ATOC stated that the cost to GNER, which was the first franchise to install this service on-board its trains, was approximately £500,000 per train77. The Committee noted that the Scottish Government has recently awarded a £250,000 contract to ScotRail to trial Wi-Fi systems on trains running between Edinburgh and Glasgow.78

128. Porterbrook commented that it was trialling Wi-Fi on four of its units and said it would be able to apply this to other carriages if it proved successful. However, it

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made the point that ―the problem is not necessarily with the train but with the infrastructure outside the train‖.

129. The Committee welcomes the improvements in passenger comfort and security, as well as the on-board Wi-Fi trial that should enhance passengers’ travelling experience if rolled out to other services. The Committee is concerned, however, about the problems that persist in providing accurate and timely information to passengers. The Committee urges Transport Scotland to work to ensure that better systems are in place in order to ensure the flow of information between the franchisee, Network Rail and passengers.

Caledonian sleeper

130. The Rail 2014 consultation set out a number of options for the Caledonian Sleeper, including complete withdrawal, withdrawal of services north of Edinburgh/Glasgow or the withdrawal of all but the Edinburgh to London service. However, since the publication of Rail 2014, the UK and Scottish governments have committed £100m to refurbish/replace the sleeper rolling stock.²⁰

131. Witnesses were in general agreement that the service should be retained and that it would benefit from the planned capital injection from the UK and Scottish governments.

132. Some suggestions were made about how best the additional financing could be used. Porterbrook identified areas where the sleeper service could be improved, for example through upgrades such as the style of beds and the bathroom facilities. They emphasised that while these improvements could be made with the £100m investment, the ROSCOs have so far received no indication that this is how the money should be used.²¹

133. PVS suggested that by using Waterloo as the departure and destination point, the sleeper would connect with the West Coast Main Line, the Penzance sleeper and crucially the Eurostar, via the introduction of a new service from Waterloo to St Pancras, which would benefit many passengers and promote tourism to Europe. Friends of the Far North Line suggested savings could be made if the service could be run in push-pull mode and the Highland sleeper could split at Carstairs.²²

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134. As with the suggestion of letting multiple franchises, witnesses such as RMT, TSSA and ASLEF, were opposed to running the sleeper service as a separate contract from the rest of the Scottish passenger rail franchise.\textsuperscript{83}

135. ATOC suggested, however, that there could be some benefits in managing the sleeper service as a separate franchise. It stated that—

"in the case of very small operations – I am thinking, for example, of First Hull Trains, the open access operator on the east coast main line – the management team is dedicated to commercialising the service, making it attractive and working with leisure industry partners."\textsuperscript{84}

136. The Committee welcomes the commitment for additional funding from the Scottish and UK governments to upgrade the sleeper service. It is in no doubt that the service, which is an important part of the cross-border infrastructure, should continue and remain as a part of the Scottish passenger rail franchise. The Committee awaits further information on the intended purpose for the additional funding and invites Transport Scotland to consider the suggestions that were provided in evidence to the Committee, such as enabling greater onward connectivity with the Eurostar.

Environmental issues

137. The Rail 2014 consultation sought views on how the rail service could reduce its environmental impact in terms of carbon and waste reduction and sustainability across the industry.

138. The move towards greater electrification of the rail network was considered by Porterbrook to be advantageous in terms of reducing the carbon footprint of the rail industry.\textsuperscript{85} However, as Porterbrook said, it remained to be seen whether diesel carriages left as surplus by electrification would be re-routed to serve other parts of the network.

139. Angel Trains noted that the release, and subsequent reallocation, of current diesel stock would not be possible until the infrastructure provider had built the necessary electric infrastructure. Following this the stock currently on lease to the Scottish franchisee would be available for it to disperse as it saw fit.

140. In considering the environmental impact of the railway, PVS urged all aspects of the railway to be reviewed holistically. It suggested that greater progress could be made in this way.

"the whole situation must be looked at – for example, what happens in depots regarding engines idling or disposal of waste. There is a substantial opportunity if all the rail industry’s activities in that regard were pooled,\textsuperscript{86}


because they are separate at the moment. Those who manage depots have no concern about waste or about what happens at stations. However, the industry is starting to recognise that the whole situation must be looked at. If responsibility for the whole carbon footprint is given to one part of an organisation, the footprint can be reduced substantially. That is really a job for the industry and it is starting to recognise that.”

Network Rail stated that they had recently increased their focus on finding uses for redundant material—

“In recent years, we have invested heavily in our ability to recycle rail, sleepers and ballast. That drives efficiencies, because we can cascade rails off main lines on to less busy lines, which improves their maintainability and avoids our having to buy new rail. A large part of our environmental policy has been aimed at reuse, recycling and, when we cannot reuse or recycle, disposing of materials carefully.”

141. In addition, Network Rail has worked to ensure that a large proportion of the waste from its trains is recycled.

142. Both Porterbrook and Angel Trains referred, in evidence to the Committee, to their company’s environmental policies, which include strategies to reduce the carbon footprint of their rolling stock through the trialling of new technical and engineering measures. Angel Trains further stressed the importance of rail electrification in providing any significant environmental benefit.

143. The Committee notes the environmental benefits to be gained from rail electrification and supports the recent progress in this area. The Committee agrees that the process of electrification must continue to develop under the next franchise, combined with an integrated approach to considering environmental policies and considers that more challenging targets could be included in the franchise agreement on this basis.

Conclusion

144. The Committee welcomes the opportunity to contribute to Transport Scotland’s consideration of the rail 2014 franchise. In the context of the findings of the McNulty review of value for money in the GB rail industry, the timing of the franchise is particularly crucial. The Committee hopes that the franchise will pave the way for progress towards meeting the efficiency savings targets recommended by the McNulty review and the Committee urges the Scottish Government to help ensure that Scotland’s railways deliver increased value for money over the course of the franchise period.

145. The Committee requests that the Scottish Government considers the conclusions and recommendations contained in this report as the development of the new passenger rail franchise progresses. The Committee will continue to take a keen interest in the Scottish passenger rail franchise and looks forward to seeing it progress towards a more cost and user efficient service.
ANNEXE A: EXTRACTS FROM THE MINUTES OF THE INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

2nd Meeting, 2012 (Session 4) Wednesday 25 January 2012

Work programme (in private): The Committee reviewed and agreed its work programme.

6th Meeting, 2012 (Session 4) Wednesday 14 March 2012

Rail Franchise 2014: The Committee heard evidence from—
Robert Samson, Passenger Manager, Passenger Focus;
Bill Ure, Member, Member of Passenger’s View Scotland;
Anne MacLean, Convener, Mobility and Access Committee for Scotland;
Ken Sutherland, Research and Media Officer, Railfuture Scotland;
John Brandon, Convener, Friends of the Far North Line.

7th Meeting, 2012 (Session 4) Wednesday 21 March 2012

Rail Franchise: The Committee heard evidence from—
Kevin Lindsay, Scottish Secretary, Associated Society of Locomotive Steam Enginemen and Firemen (ASLEF);
Iain Macintyre, Regional Organiser, National Union of Rail, Maritime and Transport Workers (RMT);
Tom Kennedy, Senior Regional Organiser, Scotland, Transport Salaried Staffs’ Association (TSSA);
Richard Davies, Head of Strategic Policy, Association of Train Operating Companies (ATOC).

8th Meeting, 2012 (Session 4) Wednesday 18 April 2012

1. Decision on taking business in private: The Committee agreed to take item 4 and any future discussion on the outcomes of its work on the Rail Franchise 2014, in private.

2. Rail 2014: Renewal of Scottish Passenger Rail Franchise: The Committee heard evidence from—
David Simpson, Route Managing Director Scotland, Network Rail;
Malcolm Brown, Chief Executive Officer, Angel Trains;
Keith Howard, Commercial Director, Porterbrook.

4. Rail 2014: Renewal of Scottish Passenger Rail Franchise (in private): The Committee consider the evidence heard at previous meetings and agreed its approach to presenting the outcomes of its work on the Rail 2014 franchise renewal.
Rail 2014: Renewal of Scottish Passenger Rail Franchise (in private): The Committee agreed a draft report.
ANNEXE B: ORAL EVIDENCE AND ASSOCIATED WRITTEN EVIDENCE

6th Meeting, 2012 (Session 4) Wednesday 14 March 2012

Oral evidence
Passenger Focus
Passenger's View Scotland
Mobility and Access Committee for Scotland
Railfuture Scotland
Friends of the Far North Line

Written evidence
Railfuture Scotland and annexe
Friends of the Far North Line

Supplementary written evidence
The Mobility and Access Committee for Scotland
Passenger Focus

7th Meeting, 2012 (Session 4) Wednesday 21 March 2012

Oral evidence
Associated Society of Locomotive Steam Enginemen and Firemen (ASLEF);
National Union of Rail, Maritime and Transport Workers (RMT);
Transport Salaried Staffs’ Association (TSSA);
Association of Train Operating Companies (ATOC).

Written evidence
National Union of Rail, Maritime and Transport Workers (RMT)

Supplementary written evidence
National Union of Rail, Maritime and Transport Workers (RMT)

8th Meeting, 2012 (Session 4) Wednesday 18 April 2012

Oral evidence
Network Rail;
Angel Trains;
Porterbrook.

Written evidence
Angel Trains
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