



Scottish Council for  
Development and Industry

## POLICY SUBMISSION

## INTERCITY EAST COAST FRANCHISE

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SCDI is an independent and inclusive economic development network which seeks to influence and inspire government and key stakeholders with our ambitious vision to create shared sustainable economic prosperity for Scotland.

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## **InterCity East Coast Franchise Consultation**

1. SCDI is an independent membership network that strengthens Scotland's competitiveness by influencing Government policies to encourage sustainable economic prosperity. SCDI's membership includes businesses, trades unions, local authorities, educational institutions, the voluntary sector and faith groups.
2. The East Coast Main Line is one of two Main Lines which connect Scotland with London and other major UK cities. The future of the franchise is therefore of high interest to Scottish businesses and great importance to the Scottish economy.

### **Q1 Do consultees agree that the proposed franchise objectives are an appropriate expression of the priorities that should apply to the new ICEC franchise?**

3. The first objective of the franchise should be to support sustainable economic growth. SCDI is content with most of the proposed franchise objectives. However, we believe the objective to "realise the commercial potential of long-distance services...and making an appropriate contribution to the overall financial position of the railways", which is currently listed first, is inappropriate and should be changed to "ensuring value for money for taxpayers and for passengers".

### **Q2 Are there any other issues that consultees believe the Department should take into account in determining the length of the new ICEC franchise?**

4. SCDI agrees with the UK Government that longer, carefully structured franchises can deliver additional private funding for improvements in train and station infrastructures. In the circumstances of HS2 expected to serve West Yorkshire from 2032/33, SCDI is content that a franchise of 10 to 12 year, with the option of a 2 year extension, strikes the right balance between encouraging investments by the operator while not re-franchising immediately before the opening of HS2. 8
5. The new franchise needs to incentivise investment in high-levels of performance by the operating company and the UK Government must also continue to invest.

### **Q3 What are consultees' views on the principle of the new ICEC franchise becoming a multi-purpose train operator along the route of the East Coast Main Line rather than focussing only on the InterCity services by the current operator?**

6. SCDI would be concerned that a multi-purpose train operator along the route would result in an operator less focussed on improvements to the long-distance services. Such services should be the purpose and priority for a Main Line. SCDI seeks reassurance that the potential risk identified of a "loss of some current through journey opportunities" would not apply to services to/ from Scotland.

**Q4 Do consultees have any comments on which services might be considered for inclusion in the new ICEC franchise and how they might be specified?**

7. The introduction of a new, earlier service from Aberdeen with an arrival time in London before midday could capture a larger share of the business market.

**Q5 Are consultees aware of any other rail or non-rail major development schemes that are likely to have a significant impact on the new ICEC franchise?**

8. In the Scottish Government's High Level Output Specification, it required the industry to an appropriate level to inform future funding decisions, improvements to the Highland Main Line and Edinburgh-Aberdeen Line to reduce journey times and electrification of Edinburgh-Aberdeen Line and of the Highland Main Line. Journey times of approaching eight hours between Aberdeen/ Inverness and London are too long. These projects must be delivered by Transport Scotland to increase speeds and reduce journey times north of Edinburgh. The Department for Transport and Transport Scotland must work together to maximise their benefits in the ICEC franchise and in the procurement of InterCity Express trains.
9. Proposals for passenger capacity at Edinburgh Waverley and Haymarket have also been required by the Scottish Government in its High Level Output Specification, including any requirements for the introduction of HS2 services.
10. The UK and Scottish Governments have announced a programme of over £100m investment to secure the future of the Caledonian Sleeper service. There is a need to consider the interaction between ICEC and sleeper services and, for instance, to ensure timetabling of connections and the inter-availability of tickets.
11. SCDI welcomes a number of the improvements to ICEC services, including the daily early morning 4-hour Edinburgh to London *Flying Scotsman* service. However, the standard timing of 4 hours and 20 minutes is too slow and there is no fast return London to Edinburgh service. Whilst strongly supporting the construction of a high speed rail link between Central Scotland and London, SCDI accepts that it is unlikely to be operational for many years. If improvements to cross-border services and infrastructure are not sustained in the meantime, it will be harder to attract businesses to use rail and economic competitiveness will be lower. The section between Edinburgh and Newcastle remains particularly slow, especially through Northumberland, with a 55mph speed limit around Morpeth. There is a need for a major development scheme for this section.
12. The East Coast Main Line is an important route for rail freight. The franchise will need to ensure that opportunities to increase freight can be accommodated.

**Q6 Are there any research findings, evidence or other publications that consultees wish to bring to the attention of the Department as part of this refranchising process?**

13. On behalf of the *Fast Track Scotland* group, SCDI undertook a further survey last year of businesses based in Edinburgh and Glasgow on their views of a UK high-speed rail network which included Central Scotland. While businesses further north were not surveyed and the benefits of high-speed connections would be far greater than could be achieved in the East Coast Main Line franchise deal, certain findings are relevant. For example, it showed that 85% of respondents said that reduced time travelling would be a key benefit, with 57.5% identifying greater frequency and reliability. Some potential for modal shift from air to rail was identified by 82.5% of respondents if Central Scotland was part of HS2. It is important to reiterate that maintenance of aviation connectivity between Scotland and London is essential for Scottish businesses, especially with Heathrow and, for Inverness, Gatwick; that this level of modal shift could only be anticipated with the journey times deliverable with a high-speed rail network including Glasgow and Edinburgh; that, even with such a network, train journey times between the north of Scotland and London will not be competitive with air; and that a number of businesses stated that cost comparisons with air would also be a key factor.
14. To inform SCDI's response to Transport Scotland's *Rail 2014* consultation, including the questions on the ICEC's through-services between Aberdeen/ Inverness-London, SCDI undertook a survey of our members which is available at: [http://www.scdi.org.uk/downloads/Scotrail\\_Survey\\_Results\\_FINAL.pdf](http://www.scdi.org.uk/downloads/Scotrail_Survey_Results_FINAL.pdf) .
15. SCDI's *Rail 2014* Survey found that 92% of respondents from North East Scotland said that they used cross-border services, with 72% saying that they were their preferred option for journeys to Central Scotland and 53% saying that they used them for direct connections with England. The "normal journey" for 59% of respondents is within Scotland and cross-border for 41%. Nearly three-quarters (71%) said that connecting to/ from services at Edinburgh would make them less likely to travel by train. For the Highlands, 70% used cross-border services, with 85% saying that they were their preferred option for journeys to Central Scotland and 30% saying that they used them for direct connections with England. The "normal journey" for 86% is within Scotland and cross-border for 14%. Half said if this service was ended they would be less likely to use the train.
16. Cross-border services are, therefore, clearly of benefit to significant numbers of businesses to the north of Edinburgh. They provide an alternative to aviation at a time when the slots for Aberdeen/ Inverness and London appear to be threatened and for those businesses which encourage rail rather than air travel. They also ensure resilience for Scottish businesses and the economy at times when aviation is not possible, as was demonstrated at the time of the ash cloud.
17. It is important that "cross-border" is not only regarded as North of Scotland-London. Significant numbers of passengers, especially in the economically vital oil and gas sector, travel between Aberdeen and Newcastle/ North East England. HITRANS' InverCity study showed that this is also the case for the Highland Chieftain: [http://www.hitrans.org.uk/Documents/Invercity\\_Rail\\_Study.pdf](http://www.hitrans.org.uk/Documents/Invercity_Rail_Study.pdf)

18. The ability to work productivity while travelling is a key consideration for business travellers and the ability to remain digitally connected throughout the journey is an attractive element of rail over air travel. A number of SCDI's members report that the ability to conduct uninterrupted work while travelling between Inverness/Aberdeen and London is a key attraction of the East Coast Main Line's through services – wi-fi was identified by 70% from the Highlands and 53% from North East Scotland. Onboard wireless internet and reliable mobile phone coverage are required to ensure that uninterrupted digital connectivity is possible.
19. As regards the importance of other onboard facilities, first-class facilities were identified by 53% from the North East and 35% from the Highlands and the buffet car was identified by 55% from the Highlands and 33% from the North East.

**Q7 Consultees' views are invited on the train service specification, including which aspects should be mandated by the Department and which can be left to commercial discretion: and also on whether or not there should be a change in the specified minimum service level when IEP trains are introduced?**

20. In summary, the new franchise should support opportunities for employment, business, leisure, and tourism, including Scottish companies in pursuit of business outside of Scotland. It should also contribute to the climate change agenda by encouraging people to travel by rail. SCDI agrees with the broad principle of flexibility for the operator, but that there is also a need for specification of improvements to the journey times on some services, frequency, and earliest arrival and latest departure times, to secure economic benefits.

**Reduced Journey Times**

21. Door-to-door journey time is clearly a principle concern for business travellers. SCDI strongly supports efforts to reduce journey times in both directions between Edinburgh and London, SCDI recommends specification of an earlier first arrival into London and the introduction of further "business flyers" at key times later in the day. These services would make rail more competitive with air.

**Earliest Departure/ Frequency**

22. As previously suggested, the introduction of a new, earlier service from Aberdeen with a morning arrival time in London should be considered for the franchise.
23. Following the introduction of InterCity Express trains, there is a case for the introduction of a second Inverness-London train, also serving Perth and Stirling.

**Capacity**

24. SCDI welcomes the proposal to continue to mandate the provision of services between London and destinations north of Edinburgh in the new franchise. Overall, over half of respondents to SCDI's survey said that they would be less likely to travel by train if they needed to use ScotRail rather than cross-border

services. This suggests that discontinuing services north of Edinburgh would, rather than increasing ScotRail's revenue by an equivalent amount, lead to a loss of passengers from the rail network to other modes and, in consequence, a reduction in business productivity and an increase in greenhouse gas emissions.

25. The UK Government has announced that it will support the continuation of through trains through the purchase of bi-mode trains. This is very welcome, but the capacity of the trains which are utilised on these routes is also of key interest.

26. The successful franchisee will introduce 5-car 315 seat and 9-car 627 seat bi-mode trains from 2018 as part of the InterCity Express Programme. SCDI assumes that it will be for the franchisee to determine which variant is deployed in place of the current 541 seat High Speed Train. SCDI is seriously concerned that the franchisee may choose to reduce capacity on Inverness-London services, which would reduce the attractiveness of rail travel to businesses.

27. The Glasgow-London East Coast Main Line service connects the west of Scotland with eastern England and is an alternative route to/ from London.

**Q8 Consultees' views are invited on the potential for the franchise to serve locations accessible from the East Coast Main Line which currently have limited or no direct services to London.**

28. As previously stated in response to Q3, any new services for locations not at present served by ICEC must not result in a loss of focus on its core long-distance services nor in the loss of some current through journey opportunities.

29. SCDI strongly supports improved integration of ICEC services with local services for these locations. It is important that ICEC services are timed to connect with ScotRail services, particularly those to/ from rural areas of Scotland. Through ticketing between these services enhances the connectivity for rural businesses. At times of disruption, it is very important that business customers connecting with services at Edinburgh (particularly long-distance) are kept informed, their needs are understood and that efforts are made to ensure their connections.

**Q9 Are consultees aware of any ways in which improved ticketing, smart ticketing and passenger information might be provided?**

30. The reference to ITSO is welcome as this provides the basis for integration of ticketing platforms across different operators and across modes of transport in the UK. As a significant proportion of travellers are visitors to cities, the opportunity also exists to use ITSO as the basis to integrate with other services such as events, other transport networks, and accommodation or venues.

31. The full potential of smart ticketing will only be gained where the opportunity is taken to use technology to introduce new innovative products such as a smart ticket with prepaid stored travel rights or e-purse system e.g. a prepaid season ticket allowing travel on any 10 out of 20 days in a month, rather than just a

season ticket or daily ticket. There is a move towards an 'account' based implementation of smart ticketing rather than the traditional physical based implementation of products placed on a card. This should reduce operating costs and provide more flexibility in new technologies such as using mobile phones or contactless credit cards to identify someone to an account rather than a smart card. Consideration could be given to a loyalty or rewards system for frequent users of public transport (though this may be more appropriate for commuters).

32. Near Field Communication is a technology which is expected in the next few years to become increasingly important as a basis for ticketing and payment. Where bookings are made online the option should be provided of proactive alerts on the status of that train - rather than it being reactive - by using an app.

33. Walk on fares, interoperable with ScotRail, should continue to be available.

**Q10 Do consultees support the use of NPS scores to monitor and improve service quality of the ICEC franchise? Are there any other approaches that might be more effective in securing improvements in customer experience?**

34. Yes. SCDI would support separate targets for trains, information and stations.

35. SCDI has the following comments on Cost and Onboard Facilities:

**Cost**

36. East Coast trains currently offers a wide range of competitively priced fares for First and Standard Class travel. These should continue into the new franchise.

37. With many businesses paying particular attention to their costs, there is potentially a case for a 'Business Class' between First and Standard Class.

**Onboard Facilities**

38. Whilst wireless internet is currently available on East Coast Main Line services, over the course of the new franchise period, internet use and the volume of data consumed are likely to increase rapidly. It is essential that the digital facilities which are available to travellers keep pace with technological developments.

39. Technical solutions need to be found to eradicate the remaining 'black spots' in mobile phone coverage which still exist on the East Coast Main Line route.

40. Reliable power sockets and sufficient table space for all those who wish to use their laptops for work need to be available throughout all carriages of the train.

41. The InterCity Express Programme should ensure facilities are available for business customers to work which are based on the modern office environment.

**Q11 What are the consultees' priorities for improvements to the stations managed by the ICEC franchisee?**

42. Dunbar is the one station in Scotland managed by ICEC franchisee. A new platform and improvements to accessibility and parking would benefit customers.

**Q12 What do consultees believe are the most important factors in improving safety and security (actual or perceived)?**

43. Well-lit stations and visible, well-trained staff both in stations and on trains.

**Q13 Are there any increments or decrements to the DfT's proposed specification that stakeholders would wish to see and would be prepared to fund?**

44. Service enhancements supported by SCDI are incorporated above. Opportunities to improve services with the introduction of the InterCity Express trains and the planned strategic infrastructure projects north of Edinburgh should be developed.

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