



Scottish Council for
Development and Industry

POLICY SUBMISSION

EAST COAST MAIN LINE 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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East Coast Main Line Franchise

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 importance to the Scottish economy. The franchise and associated infrastructure investments, such as the InterCity Express Programme, have been regularly discussed with our members and SCDI has contributed on behalf of them to a number of UK Government consultations. These discussions have been most frequent with our members and committees in North East Scotland and Highlands and Islands because of the repeated threats to the through-services between London and Inverness/Aberdeen, most recently within Transport Scotland's Rail 2014 consultation earlier this year. To inform SCDI's response to this consultation, including the questions on through-services, SCDI undertook a survey of our membership: http://www.scdi.org.uk/downloads/Scotrail_Survey_Results_FINAL.pdf . SCDI has also received significant feedback from members on this latest consultation on the franchise by the UK Government which has informed this submission.
3. 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. This will involve specification of improvements to the journey times, frequency and reliability of services, investment in trains and infrastructure, and greater stability in the franchise.

1) What elements of the East Coast Main Line franchise deal would be most likely to persuade you to shift from air to rail travel?

4. 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.

5. Based on members' responses to SCDI's *Rail 2014* and *Fast-Track Scotland* surveys, and more recent feedback, SCDI would suggest the following elements.

Reduced Journey Times

6. Door-to-door journey time is clearly a principle concern for business travellers.
7. SCDI welcomes a number of the improvements to East Coast Main Line services, including a regular one train per hour to and from Edinburgh with a faster standard journey time and the daily early morning 4 hour Edinburgh to London *Flying Scotsman* service. However, the standard timing of 4 hours and 20 minutes is still slower than was achieved following electrification in 1991 (when two trains per day were scheduled for 3 hours and 59 minutes) and this is also the fastest timing from London to Edinburgh. SCDI would recommend that further effort is taken to reduce journey times in both directions to enable an earlier first arrival into London and the introduction of further "business flyers" at key times later in the day, which would make rail more competitive with air.
8. 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. It has previously been suggested that incremental improvements to the East Coast Main Line could result in a 3 and a quarter hour service between Edinburgh and London. SCDI believes it is essential that investment is made in the infrastructure of the existing East Coast Main Line and that this should be complementary to the ultimate delivery of HS2. The *Fast-Track Scotland* report suggests that the financial services, life sciences and creative industries sectors in Edinburgh could particularly benefit from this.
9. The section between Edinburgh and Newcastle remains particularly slow, especially through Northumberland, with a 55mph speed limit around Morpeth.
10. Journey times of approaching eight hours between Aberdeen/ Inverness and London are too long. Projects identified in Scotland's Strategic Transport Projects Review must be delivered by Transport Scotland to increase speeds and reduce journey times north of Edinburgh and it must work together with the Department for Transport to maximise their benefits in the franchise and train infrastructure. The introduction, potentially as a trial, of a new service with an earlier departure from Aberdeen to London could be attractive to some business customers.

Capacity, Frequency and Reliability

11. With major UK rail investment over coming years is likely to focus on the development of HS2, there is a concern about investment in existing rail assets to ensure² that the reliability of services is maintained. A drop in the reliability or passenger satisfaction on the East Coast Mainline will lead to a rapid transition of business travellers from rail to air. With further strong growth in demand for rail services on the route anticipated, including for rail freight, medium-term capacity and frequency on the existing East Coast Main Line is also a significant concern.
12. 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.
13. 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.

Cost

14. 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.
15. 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

16. 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.
17. 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.
18. 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.
19. 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.

20. SCDI's *Rail 2014* survey asked members from the north of Scotland only about the reasons why they use East Coast Main Line services. Figures on the availability of wi-fi are highlighted above and those on through services are explained below. As regards 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.

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

2) The existing London to Inverness train is an eight-hour journey. DfT do not expect many business passengers to make this trip in full. With this in mind, is there a pressing need to retain a direct service between London and Inverness/Aberdeen (compared with changing trains at Edinburgh, for example)? If so, why?

22. As SCDI stated when direct services to/ from Aberdeen and Inverness were threatened following Sir Andrew Foster's review of the InterCity Express Programme and in *Rail 2014*, these are key services which must be maintained.

23. 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.

24. 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.

25. It is important that "cross-border" is not only regarded as North of Scotland-London. Significant numbers of passengers, especially in the oil and gas sector, travel between Aberdeen and Newcastle/ North East England. The National Planning Framework 2 highlights the East Coast corridor between Aberdeen and Newcastle as offering opportunities to develop knowledge economy links based on the expertise associated with the energy and offshore industries and the universities of Aberdeen, Dundee, St. Andrews, Edinburgh and Newcastle. In addition, the East Coast Mainline links a number of important UK life sciences centres in eastern Scotland (particularly Dundee, Aberdeen, Inverness and

Edinburgh) and eastern England. Intercity East Coast services to/ from Inverness are attractive options for tourists visiting the Highlands from England. Staycations, which the Government is promoting, typically involve group travel and substantial luggage, which makes interchanging inconvenient. Students may travel to northern Scottish universities from intermediate stations in England and international students may fly to London then catch a train to northern Scotland.

26. There is an important issue of perception too – if all ‘main line’ services start/ terminate at Edinburgh, the economic importance of the cities and regions of the north of Scotland is reduced in the eyes of others, including potential investors.
27. Cross-border services have far greater capacity than ScotRail services and if they were no longer an option, there would be an immediate need to provide sufficient, high-quality capacity and ensure that capacity would be available in the event of future events affecting aviation. It is also likely that the connectivity and capacity offered by them is more attractive to potential visitors to Scotland. All these benefits to passengers, ultimately, benefit the economy and taxpayers.
28. 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.
29. SCDI’s survey also identifies reasons why cross-border services are preferred for journeys within Scotland, such as greater comfort and the provision of Wi-Fi, First Class capacity and a buffet car. It is felt that the current ScotRail rolling stock is not suitable for the length of Aberdeen/ Inverness-Central Scotland journeys.
30. A direct service allows the opportunity to start work in Inverness/ Aberdeen and work without interruption until arrival in London and removes the possibility that delays on the first leg of the route lead to a missed connection in Edinburgh. As the experience of passengers on the Highland Main Line changing at Perth for Edinburgh or Glasgow services shows, connecting services are often not held.
31. 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, as previously stated, it is important that decisions about the capacity of the trains which are utilised on these routes do not reduce the attractiveness of rail travel.
32. The views and priorities of passengers should not be overlooked. Cross-border services offer a degree of competition on both these routes and their loss would reduce the incentive for ScotRail to innovate and to improve its services. As previously highlighted, the result would be a loss of passengers to the railway.
33. Following the development of a UK high-speed rail network including Central Scotland, an ‘Edinburgh Hub’ would become a necessity. With the planned rolling

stock and journey time improvements north of Edinburgh and the availability of high-speed trains to the south, this concept would become more acceptable to business passengers. However, this appears unlikely to be in place pre-2030.

3) What other aspects of the rail experience for Scottish business customers should the Department for Transport bear in mind when putting together the next East Coast Main Line franchise?

34. SCDI agrees with the UK Government that longer, carefully structured franchises can deliver additional private funding for improvements in train and station infrastructures. These more closely reflect the 30 year or longer life of assets and can improve integration by giving train operating companies greater responsibility over stations, maintenance and trains. They can deliver maximum benefit for passengers and the public purse by incentivising private sector investments.
35. 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.
36. It is important that East Coast Main Line 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.
37. The Glasgow-London East Coast Main Line service connects the west of Scotland with eastern England and is an alternative route to/ from London.
38. 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.
39. A new platform at Dunbar would benefit business customers using the station.

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