



RAIL FORUM

Conference Room 3, Victoria Quay, Edinburgh, EH6 6QQ
Friday 3rd February 2017 – 10:00am

AGENDA

- 1. WELCOME AND APOLOGIES FOR ABSENCE.**
- 2. MINUTES**
 - (a) Rail Forum of 22nd April 2016.
- 3. NETWORK RAIL ROUTE STUDY – Report by Lisa Freeman**
- 4. RAIL INFRASTRUCTURE STRATEGY – Report by George Eckton**
- 5. NTS2 PRE-CONSULT, REQUEST FOR VIEWS – Report by George Eckton**
- 6. SESTRAN MODEL 3 UPDATE – Verbal update by George Eckton**
- 7. RAIL UPDATE; HSR, ORR, ECMA – Report by George Eckton**
- 8. PROJECTS UPDATE – Roundtable update**
- 9. FRANCHISE UPDATES – Verbal updates from operators**
- 10. REVIEW OF FORUMS – Verbal update from George Eckton**
- 11. AOCB**

27th January 2017.

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Agendas and papers for all SEStran meetings can be accessed on www.sestran.gov.uk

SESTRAN RAIL FORUM
10:00AM FRIDAY 22nd April 2016
CONFERENCE ROOM 1, VICTORIA QUAY, EDINBURGH, EH6 6QQ

Present

Graham Bell (Chair)	Non Councillor Member
Cllr Donald Balsillie	Clackmannanshire Council
Cllr Irene Hamilton	Clackmannanshire Council
Cllr James Fullarton	Scottish Borders Council
Cllr Russell Imrie	Midlothian Council
Cllr Derek Rosie	Midlothian Council
Charlie Anderson	Non Cllr Board Member
Nikki Anderson	Abellio
Kevin Collins	Falkirk Council
Chris Day	City of Edinburgh Council
Jane Findlay	Fife Council
Peter Forsyth	East Lothian Council
Catherine Hall	Network Rail
Trond Haugen	Advisor to SEStran
Graeme Johnstone	Scottish Borders Council
Alex Macaulay	SEStran
John Martin	Non Cllr Board Member
Scott Prentice	Scotrail
Sandy Scotland	Non Cllr Board Member
Karl Vanters	Midlothian Council
Emily Whitters	SEStran
Alastair Young	Transport Scotland

Apologies

Cllr Stephen Bird	Falkirk Council
Cllr Tony Boyle	West Lothian Council
Cllr Gordon Edgar	Scottish Borders Council
Cllr Bill Henderson	City of Edinburgh Council
Cllr Lesley Hinds	City of Edinburgh Council
Cllr Michael Veitch	East Lothian Council
Michael Connolly	Abellio
Sarah Cunningham	First Group
Ian Forbes	West Lothian Council
Richard Gibson	Cross Country Trains
Frazer Henderson	Transport Scotland
Gordon Macleod	Transport Scotland
Iain Shaw	City of Edinburgh Council
Tom Steele	NHS Forth Valley
Barry Turner	Non Cllr Member
Rose Tweedale	Transport Scotland
Martin Wanless	Scottish Borders Council
John Yellowlees	Scotrail

Ref.		Actions
1.	Minutes & Actions/Matters Arising from Rail Forum on 02 Oct 2015	
	The minutes of the previous meeting were agreed with no changes.	
2.	Operational Issues and Future Development/Timetable Changes	
2.1	ScotRail; Future ScotRail Timetable Strategy; Presentation by Scott Prentice	
	<p>Mr Prentice gave a presentation detailing the upcoming Timetable strategy and timetabling and projected use of the new Edinburgh Gateway station. The presentation is attached to the minutes for information. Mr Prentice noted that the new timetable is a work in progress and will be in development over the next year.</p> <p>Cllr Imrie commented that trains departing from stations north of Dundee will not stop at Edinburgh Gateway. Mr Prentice responded that this is due to customers' preference on long distance trains for faster journeys with fewer stops but if there was customer demand it could be looked at again. Following a query from Mr Scotland, Mr Prentice noted that Scotrail are in discussions with Transport for Edinburgh regarding through train/tram tickets for use at Edinburgh Gateway.</p>	
2.2	Virgin East Coast	
	<p>There was not a representative of Virgin East Coast present, however an update was circulated as follows:</p> <ul style="list-style-type: none"> • 8 additional daily weekday services between Edinburgh and London will be launched on May 16th. This was press released recently and further details will be given in the stakeholder newsletter nearer the time. • The First Class Lounge in Edinburgh will be launched earlier this month. 	
2.3	Virgin West Coast	
	There was not a representative of Virgin West Coast present. Mr Haugen advised that the franchise was now moving forward and a presentation was given to stakeholders earlier this month.	
2.4	Arriva Cross Country	
	There was not a representative of Arriva Cross Country present.	
2.5	First Transpennine Express	
	There was not a representative of First Transpennine Express (TPE) present, however an update was tabled at the meeting and has been attached to the minutes for information. Mr Haugen reported that SEStran have written a letter of support to TPE for their application to Office of Road & Rail (ORR) for track access between Newcastle and Haymarket.	

2.6	Serco Sleeper Service	
	There was not a representative of Serco Sleeper Service present.	
3.	Competition and Market Authority; Rail Competition	
	<p>Mr Haugen advised that the Competition and Market Authority (CMA) report was submitted to the Partnership Board on the 18th March and it was recommended for more detailed consideration at the rail forum. Mr Haugen stated that CMA completed a consultation on competition in rail services. This focused on the larger routes such as East Coast, West Coast and Great Western. Options investigated included:</p> <ul style="list-style-type: none"> • Keeping the current franchise arrangements but with significantly more open access operators. • To split franchises in two to compete directly in same area. • Extend the area to overlap franchises. • To replace franchising with open access. <p>The consultation concluded that the best option would be to increase the number of open access operators. Concerns were raised regarding track capacity issues and level of service provided by open access operators. Mr Haugen noted that a scenario of more open access operations on the East Coast Mainline with applications from two open access operators. Mr Macaulay highlighted that these issues were complex and more appropriate for individuals within the rail industry to deal with and suggested that the SEStran comments should be focused on passenger issues.</p>	
4.	High Speed Rail to and within Scotland. Presentation by Alastair Young, Transport Scotland.	
	<p>Mr Young gave a presentation on High Speed Rail options to and from Scotland (attached with minutes). Main topics as follows:</p> <ul style="list-style-type: none"> • Published HS2 Network (Phases 1 & 2) • Impact for Scotland • HS2 Ltd Study Remit • HS2 Ltd Study – The challenge & possibilities • HS2 Ltd Study Findings <ul style="list-style-type: none"> - Upgrade - High Speed Bypasses - Continuous HS Routes - Lower cost route • Glasgow to Edinburgh HS Route • HS2 Ltd and TS Study Analysis • Future Work <p>Following a query from Mr Johnstone, Mr Young commented that it is likely there will be one, if not two, parkway stations built in Scotland and that it would likely have good connections to the motorway.</p> <p>Mr Haugen commented that an East Coast alignment would provide greater connectivity between Scotland and northern cities in England</p>	

	and expressed concerns over the lack of mention of what High Speed Rail provision the North East may expect from an extension of HS2 to Scotland.	
5.	Shaw report on the future of Network Rail	
	Mr Haugen noted that the recommendation from the report was that re-privatisation was unlikely to occur. The report is now to be considered by the Scottish Government.	
6.	Update on £30million Station Fund Projects and other projects/studies	
	<p>Mr Haugen gave an update as follows:</p> <ul style="list-style-type: none"> • Costs for East Linton & Reston have increased substantially and SEStran are in discussions with Transport Scotland about how to take the project forward. • Winchburgh station improvements have also been subject to increased costs. It is to be developer funded but costs may have gone beyond what could be expected for the developer. This is now for discussion between the developer and Transport Scotland. • Leuchars and Falkirk station car park improvements are going ahead. • Levenmouth rail – While this is not part of the fund Mr Haugen notified the group that the STAG has been finalised. 	
7.	EGIP, CP5 projects and other relevant Network Rail Investments; including	
	Network Rail Update	
	<p>Ms Hall gave an update as follows:</p> <ul style="list-style-type: none"> • Edinburgh Gateway is on target for delivery in December 2016. • The transport order was submitted in September for the Glasgow Queen street redevelopment last year. The public enquiry starts on the 3rd May. • Millerhil depot for new electric rolling stock is on plan for delivery for August next year. • 20 week closure at Glasgow Queen street has commenced, works on site are progressing well and milestones are being met as planned. • There is a proposal for a new taxi rank at Edinburgh Waverley. Network Rail are outlining early design work and reviewing options. They will be meeting internal/external stakeholders over the next few months and hope to start construction towards the middle of autumn 2017. • Proposed cycle access at Edinburgh Waverley has been completed • Edinburgh Waverley cycling hub is not progressing as quickly as hoped, Network Rail are now working with a project manager from Scotrail to progress this. • W12 gage enhancements on Scotland portion of East Coast 	

	<p>Main Line were completed on time by March 2016.</p> <ul style="list-style-type: none"> • Electrification of Alloa, Shotts, Stirling and Dunblane line is still on plan for the end of the control period. • The Grangemouth electrification programme will be delivered by end of control period as part of the freight fund. • Carstairs Junction remodelling is in the route study, Network Rail are working to try and get this done in the current control period. • Planning to extend platforms at North Berwick to 6 car platforms. <p>Mr Scotland asked if there were any proposals for an overbridge across the East side of Waverley. Ms Hall stated that it wasn't part of CP5 but would take a note back.</p>	Ms Hall
8.	Planning for CP6 2019-24 – Update on Scotland Route Study	
	<p>Mr Haugen requested more information about the timetable and next steps of the route study. Ms Hall gave the following update:</p> <ul style="list-style-type: none"> • The route study consultation was published just before Christmas, 3 month consultation period has now ended. • Network Rail are looking to get dates for a regional working group with SEStran and constituent local authorities towards the end of May. • The study will be published in July 2016 and subsequent industry advice is September/October with final publication in summer next year. Network Rail have started to get dates in the diary for one on one meetings with some respondent's. <p>Cllr Hamilton queried what freight is moving through the Alloa Dunfermline Line. Ms Hall stated that she would find out and respond.</p> <p>Cllr Balsillie raised the issue of Longannet Task Force. £50,000 has been allocated to investigate the impact of the closure of the power station. Cllr Balsillie stated that the opening up of East-West link would be beneficial to Scotland as a whole and that there was a growing movement to open up the route on to St Andrews. Mr Haugen commented that transport was a relatively small part of the task force but noted that the recent SNP manifesto stated that there will be a transport study along the Alloa-Dunfermline line. Mr Haugen is in contact with Fife and Clackmannanshire Councils regarding this. Mr Haugen noted Cllr Balsillie's comments regarding the St Andrews line but commented that this is not a current priority for the partnership.</p>	<p>Ms Hall</p> <p>Ms Hall</p>
9.	Passenger Focus Issues	
	There was not a representative from Passenger Focus present.	
10.	Rail Freight	
	There was not a representative from the Rail Freight Group present.	

11.	AOCB	
	<p>Cllr Balsillie requested clarification on Scotrail's policy of passengers taking bicycles on trains. Mr Prentice advised that following modifications to west coast trains, every train will have space for two bicycles. The decision to allow bikes on the trains is left to the conductor's discretion. Mr Prentice noted that reservable spaces have reduced from four to two on some trains, this is in order to comply with legislation that requires space for two wheelchairs. Further information can be found below:</p> <p>https://www.scotrail.co.uk/plan-your-journey/travel-connections/cycling</p>	
12.	Date of next Rail Forum	
	The date of the next forum will be circulated to the group in due course.	

Network Rail Route Study

1. INTRODUCTION

- 1.1** The Network Rail Scotland Route Study has been developed with stakeholders from across the rail industry and the wider transport industry in Scotland, including Regional Transport Partnerships and Transport Scotland. The documentation and analysis that supports the study has been produced by Network Rail on behalf of the Route Study Board, a body set up as a steering group to support the delivery of the Scotland Route Study. This final document replaces and updates the Draft for Consultation document which was published in December 2015.

2. SUMMARY

- 2.1** The now completed Scotland Route Study (with significant input from SEStran and individual local authorities) outlines what NR consider necessary to cope with growing demand. The purpose of the Route Study is to provide an evidence base that will inform funders in Scotland when considering rail industry investment choices for Control Period 6 and 7 (between 2019 and 2029). It is one of a new generation of studies across Great Britain which will also set out how forecast growth could be met through to 2043. However, it must also be noted that the route study does not cover new schemes like new stations and reopening of lines. Below is the list of rationale behind the 2043 Drivers of Change:

- Growth in passenger numbers – ‘high growth’ demand scenarios forecast passenger numbers to double on many busier routes, and at major terminal stations in Scotland.
- Scottish Government aspirations for faster journey times, electrification and improved connectivity
- Long Distance Market Study findings – more cross-border passenger services, HS2, longer trains and faster journey times
- Freight Market Study findings – more cross-border intermodal services, longer and larger gauge trains

- 2.2** With regards to future project proposals, the study does mention that the first steps towards the 2043 railway, could include such proposals as:

- Train lengthening on various corridors to meet 2023/24 demand

- East Coast Main Line - Extra capacity required if demand is to be met for local, long distance and freight services.
- Edinburgh Waverley - Extra capacity required both within the station and on its east and west approaches to meet demand to 2023/24.
- Edinburgh Suburban Enhancement Programme - Upgrade the capacity and capability to provide a key electrified freight link between East Coast Main Line and West Coast Main Line, empty coaching stock moves to Millerhill Depot and an electrified diversionary route for Anglo Scottish passenger services.
- West Coast Main Line - Carstairs Junction Remodel (linked to asset renewals), freight gauge enhancement and a High Speed Enabling Projects
- Glasgow Central - Extra capacity required both within the station and on its approaches to meet demand.
- Rolling programme of electrification - Maximising the benefits of electrification by efficient sequencing and early delivery of key enablers at a corridor level.
- Central Belt to Inverness - Incremental outputs to improve capacity and journey time, working towards the 2043 aspirations.
- Central Belt to Aberdeen - Incremental outputs to improve capacity and journey time, working towards the 2043 aspirations.
- Aberdeen to Inverness - Incremental outputs to improve capacity and journey time, working towards the 2043 aspirations.
- The Far North Line - Options to meet connectivity conditional outputs.

3. Next Steps

- 3.1** The next step is Transport Scotland's High Level Output Statement (HLOS) and Statement of Funds Available (SoFA). Consultation on this will run from Autumn 2016 and into 2017 and will cover what the Scottish Government want to see included in CP6 and CP7 as well as what funds the Government will make available for investment in these control periods. The DfT and UK Government will prepare similar documents (relevant for cross border services and high speed rail)
- 3.2** Both the Route Studies, HLOS and SoFA documents will then go to the Office of Rail and Road (ORR) who will instruct Network Rail to prepare – during 2017/18 - its Strategic Business Plan (SBP) which should include estimated

costs.

- 3.3** The SBP will be reviewed by the ORR who will seek stakeholders' views. The ORR should arrive at a final determination on what Network Rail must deliver in CP6 and give an understanding of the resources that will be made available (including the level of track access charges to be levied on the rail operators). NR will then have to accept or reject the CP6 investment plan as issued by the ORR.

4. RECOMMENDATIONS

- 4.1** Forum members are asked to comment on the contents of this report.

Lisa Freeman

Strategy and Projects Officer

27th January 2017

Link: Scotland Route Study - <https://www.networkrail.co.uk/wp-content/uploads/2016/11/Scotland-Route-Study.pdf>

4. Scotland's Rail Infrastructure Strategy Consultation

Consultation on Scotland's Rail Infrastructure Strategy

1. INTRODUCTION

- 1.1** The report provides the forum with a summary of the consultation paper from the Scottish Government setting out their vision for rail infrastructure, considers the challenges and opportunities for Scottish railways and outlines a number of proposals that Scottish Ministers believe can help to maximise investment in rail infrastructure to support the growth predicted and to deliver dependable customer services from 2019 onwards. SEStran have received an extension to the 24 February deadline to allow a position to be agreed by the Board at their 2 March meeting.

2. CONSULTATION

- 2.1** Transport Scotland are seeking views on its proposed approach to the rail infrastructure investment strategy from April 2019. The results from this consultation will help to inform the Scottish Minister's High Level Output Specification (HLOS) which is a process aimed at improving performance, reducing journey times and increasing capacity and capability of the Scottish rail network. A copy of the consultation document can be found here: <https://consult.scotland.gov.uk/rail-policy/rail-infrastructure-strategy-from-2019> and a copy of the consultation questions are outlined in the appendix to this report for information.
- 2.2** Rail in the South East of Scotland plays a significant and increasing role in the transport mix of the region and the outcome of the Rail Infrastructure Strategy, Network Rail's periodic review and forthcoming plans for specific rail investments will have great relevance to the region. Growth and development in South East Scotland has led to the location of important areas of employment and housing in new locations, and resulted in a more dispersed pattern of travel demand. One obvious effect of this is the rapid growth in traffic levels on the Edinburgh outer city bypass. Given the substantial increase in population and households anticipated over the next 10 to 15 years this trend can be expected to increase. It will be key for inclusive growth moving forward that we have a sustainable strategy for rail investment.
- 2.3** Rail services in the SEStran area are used by 43 million passengers in 2014/15, with a significant focus on gateways such as Waverley and Haymarket and represents nearly a quarter of the total Scottish usage. Indeed, rail use in the SEStran area since the end of the recession has been close to 6% per annum, higher than both Scottish and UK averages analysing Office of Rail Regulation (ORR) figures. There is also clearly a significant role for Rail Freight services, albeit with a clear potential for reduction in volume, given amongst other factors, the ending of significant coal-fired power production within the SEStran area, but hopefully there is also an opportunity for greater inter-modal freight traffic.

- 2.4** Transport Scotland have been clear that this consultation is on the pillars of an infrastructure strategy and not on specific projects. Therefore, this paper does not go into detail on specific priority projects for SEStran. Instead it is proposed that we support the outlined vision and approach in our response. Whilst, highlighting that there continues to be key connectivity priorities around major Edinburgh gateways, Falkirk and Clackmannshire to both Edinburgh and Glasgow and also clear gaps in cross-regional connectivity with East Lothian and Midlothian, clear growth potential in West Lothian, as well as a need for continued analysis of further enhancement to Borders infrastructure and services, alongside increased investment in key Fife based infrastructure and service priorities.
- 2.5** One of the specific issues the Strategy consultation raises is the previous establishment of several broad-based funding streams e.g. Station Funds, a Freight Fund and the need for a discussion as to whether these should continue into the future. There has previously been clear support within SESTRAN for the continuation of these funds but also a recognition that whilst well-intentioned may not be the best way in the future for delivering certain investments. It would also seem sensible given the scarcity of resource to move towards a more flexible and responsive approach to planning scheme delivery and enables the delivery of a well-planned, realistically timetabled and robustly financed approach.
- 2.6** Within the SEStran area, rail is becoming an increasingly significant mode for local journeys, and is the best alternative to car use for longer distance commuter journeys. Between 2001 and 2011, the proportion of SEStran residents travelling to work by train increased by over 40%. Whilst, this may be due to as the Scotland Route Study suggests, that the regional geography prevents car-based commuting from achieving high market shares into many of the key employment areas, this shouldn't be a source of complacency in terms of continued objectives of a greater modal share for sustainable and collective modes of travel. It would seem integral to the Scottish climate change commitments that we continue with a strategic approach to rail infrastructure investment that facilitates outcomes that reduce further emissions from transport but also make our infrastructure resilience to the change in climate which is already unavoidable given previous cumulative emissions.
- 2.7** Investment in Rail is also critical for the continued inclusive growth of not only South-East of Scotland but Scotland as a whole. Whether that is longer-term connectivity investment regarding High-Speed Rail or short/medium term investment in East Coast Main line connectivity for example. SESTRAN as part of the East Coast Mainline Authorities (ECMA) alliance view this line is not "just" a railway, but a key strategic economic artery for the UK. In Scotland it connects all of Scotland's 7 Cities with London and the intervening regional economies of the UK's East Coast. It is also critical that the complementary investment in High Speed 2 services to Yorkshire and the north is made by 2032, so that the East Coast route can be freed up to let the nation [and regions] breathe more easily economically e.g. expansion of

commuter services and stations in the expanding Edinburgh City Region. ECMA research shows this investment will represent excellent value for money delivering up to well over £3 of economic benefit for every £1 spent. This ratio goes up to nearly £6 when through HS2 East services are added. However, with resources tight we need a discussion about how we best fund investment in the timescale of Strategic Transport Projects Review 2.

- 2.8** The consultation also seeks comment on how trade-offs between different types of investments will be prioritised, alternative sources of funding for a investment programme, proposes an approach to specifying performance outputs and how these are balanced with wider priorities. There are also specific questions on safety and in particular closure of level crossings, as well as how innovation can be supported in the future delivery of rail infrastructure.

3. CONCLUSION/RECOMMENDATIONS

- 3.1** The forum are invited to provide comment on the consultation paper, which will be incorporated as appropriate into the final report to the Board in early March and the initial issues highlighted for further discussion at the meeting within the paper. The forum should also note that Transport Scotland are hosting further workshops within the SEStran area at the Town House, Kirkcaldy 6th February 1200 - 1600 and Serenity Café, Edinburgh 21st February 09:30-13:00.

George Eckton
Partnership Director
27th January 2017

Appendix 1 – List of Consultation Questions

Appendix: Consultation Questions

1. Do you agree with our vision and approach? Will they help us to achieve the Scottish Government's purpose of increasing sustainable and inclusive economic growth?
2. How might we make trade-offs and prioritise between different types of investments, while ensuring that our actions are aligned with our vision?

Note that this question refers to the types of trade-offs that may be required (e.g. where improvements to journey times may impact on levels of connectivity, or vice versa) rather than actual names/locations of schemes promoted or supported by stakeholders.

3. Do you support the move to a more flexible 'pipeline' approach to scheme delivery, that does not force us to make early decisions on a detailed specification prior to the commencement of the five-year regulatory control period, without receipt of a robust business case?
4. What are your views on the retention or removal of individual ring-fenced funds?
5. What alternative sources of funding could be used to help deliver the rail investment programme?
6. Do you agree with our approach to emissions reductions and climate change adaptation? What else should be considered?
7. Do you agree with the proposed approach to specifying performance outputs?
8. How should performance be balanced against the wider priorities for reduced journey times and the full utilisation of existing and new capacity?
9. Do you have a view on our approach to safety? How can the closure of level crossings be better supported?
10. Do you support our approach to innovation and new technologies?
11. Do you have any other views on how innovation could be better supported through the HLOS process and Network Rail's broader management of the rail infrastructure?

National Transport Strategy – early engagement survey

1. INTRODUCTION

- 1.1** Transport Scotland have issued an early engagement survey seeking opinions on transport policy at all levels in the context of the development of a National Transport Strategy 2 by Scottish Ministers as outlined in the Programme for Government 2016-17.

2. Early Engagement Survey

- 2.1** As part of the development of a new National Transport Strategy (NTS2) Transport Scotland have issued an early engagement survey which is open to responses until 31 March 2017. It is proposed that SEStran will agree a response at its 2 March Board meeting and that this should be informed by comments from all consultative forums and groups.
- 2.2** The review of the NTS will set out an updated vision for transport for the whole of Scotland in 20 years' time and outline a plan to achieve this vision. The NTS2 will also look at how we can successfully address the strategic challenges facing our transport network and how we can make the most of the opportunities that present themselves. Transport Scotland has committed to delivering a collaborative review of the National Transport Strategy (NTS), by giving individuals and communities across Scotland a greater say in influencing the development of transport policy at local, regional and national level. As such, they are keen to gather your views at an early stage to help us shape the key themes of the NTS review.
- 2.3** Transport Scotland have stated that following the early engagement survey, there will be a wider programme of national engagement beginning in Summer 2017 ahead of a full public consultation. A link to the early engagement survey can be found here: <http://www.transport.gov.scot/news/have-your-say-scotland%E2%80%99s-national-transport-strategy> and a copy of the consultation questions are outlined in the appendix to this report for information.

3. CONCLUSION/RECOMMENDATIONS

- 3.1** The paper seeks to invite comment on the pre-engagement survey, which will be incorporated as appropriate into the final report to the Board in early March and the initial issues highlighted for further discussion at the meeting within the paper.

George Eckton
Partnership Director
27th January 2017

Appendix 1 – List of Consultation Questions

List of Consultation Questions

1. Have you used, or referred to, the 2006 National Transport Strategy (NTS)?
2. When did you use it and did it meet your requirements? What, if anything, would you change about how the 2006 NTS is presented?
3. The current strategy sets out three outcomes: improved journey times and connections; reduced emissions; improved quality, accessibility and affordability. Do you think each of these will still be relevant over the next 20 years?
4. If not, what strategic outcomes should transport be trying to achieve?
5. If there was one thing that needs to change substantially now in transport, what would that be?
6. What do you think the main transport challenges and opportunities will be over the next twenty years?
7. How would you like us to engage with you during the development of the future strategy that will lead to a formal public consultation?

Rail Update

1. INTRODUCTION

- 1.1** To update the Forum on current consultation and events progressed by SEStran in relation to Rail since the last scheduled Rail forum meeting.

2. BACKGROUND

- 2.1** SEStran have informally responded with comments/observations to consultation from the Office of Rail Regulation (ORR) regarding the 2018 period review (PR18) and the proposed draft guidance to Network Rail on the preparation of its strategic business plans and developing a regulatory settlement. A copy of the responses are provided in Appendix 1.
- 2.2** The Consortium of East Coast Main Line Authorities (ECMA) have recently published research which shows investing £3 billion in the East Coast Main Line can deliver a £9 billion boost for UK plc, and improve services for the 20 million people who use the line each year. The independent research report was conducted by JMP and is now available on ECMA's website, along with a research summary that highlights its key findings. To download a copy of the research please visit: www.investineastcoast.co.uk
- 2.3** The publication was support by Parliamentary events at Holyrood and Westminster, the independent research shows every pound spent on work to improve the UK's eastern rail spine will deliver £3.33 of wider economic benefits in addition to transport benefits. The Holyrood parliamentary reception on November 1, which attracted MSPs and businesses from along the East Coast Main Line, and was addressed by Scottish Minister for Transport and the Islands, Humza Yousaf MSP. A separate event was held in Westminster on November 29.
- 2.4** The next scheduled High Speed Rail Scotland Group meeting is scheduled for 31 January in Glasgow. A verbal update will be given to the meeting on any outcomes of the meeting.

3. CONCLUSION / RECOMMENDATIONS

- 3.1** The Forum are invited to note the content of the report.

George Eckton
Partnership Director
27th January 2017

Appendix 1 – Copies of ORR Consultation Responses

Consultation on the Development of the Regulatory Settlement for the Network Rail System Operator in CP6 - SEStran comments

In respect to some of the specific issues raised in your consultation paper, I would like to offer the following high level comments.

In terms of the proposal for disaggregation of measures, SEStran would welcome further articulation of how this will be reflected to stakeholders across the different geographies of the UK. We would hope that any capability measures would focus on outcomes and would be disaggregated to a geography that allows local transparency and scrutiny by stakeholders. In terms of capability measures it may be helpful in future to provide further worked examples.

We would also welcome further discussion and detail on how effectively the application of a “penalty clause” approach on underperformance would work towards driving better performance. It doesn’t immediately seem apparent from the proposals as to how varying revenue, presumably negatively, would help deliver the overall goals of the process. It is presumed that the performance would be rated against the scorecard proposals of Section 2. Also as mentioned in Section 3 about organisational risk, we would welcome further detail on the proposed assessment/analytical frameworks for deriving a financial penalty effectively for NSO. The opportunity to earn additional revenue for the NSO potentially sets a right organisational culture in progressing its objectives alongside a potential penalty clause. Further, it would be helpful before providing a final comment to have further information on where any revenue would be “lost” to where its removed due to NSO under-performance and where further monies would be earned from and against what scorecard to achieve additional revenues. There would also need to be a balance on incentives on some volume measures which could have negative impacts on other performance measures.

In terms of the scorecard, for stakeholders it may be helpful to have a “red/amber/green” summary but this may not fit with a revenue varying approach. Further, it will be important presumably to recognise and articulate to stakeholders that some NSO outputs will be positive but not necessarily tangible or easily measurable.

With regard to the proposals for NSO regulation and monitoring, if NSO performance is an indicator, would any process devised need to ensure avoidance of any unintended “double regulation” of a singular process or a situation where an impact of a certain decision by the NSO may only partly reflect its role as outlined in the document.

Concerning the long-term system operation settlement, we would also suggest that in the LTPP process there is specific reference to the need to work with regional land-use and transport planning authorities.

It would be helpful to have NSO performance to below Scotland level and we welcome the suggestion to disaggregate information further, which would help in the

making and evidence proofing of some of NSO's difficult trade-off decisions between different customers and geographies.

We welcome the suggestion for further ways of NSO to secure stakeholder input and enable further engagement. Certainly at a more local level, the existing RTP rail forums in Scotland may provide a further engagement route.

With reference to limits of regulations, it would seem there might be parallels with other regulated industries where Network Rail remains a single company which could be learned from and perhaps inform a tailored and more focussed approach to regulating.

Consultation on draft guidance on Network Rail's Strategic Business Plans - SEStran comments

In respect to some of the specific issues raised in your consultation paper, I would like to offer the following high level comments. We welcome ORR's broad continued support for Network Rail's move to "continuous business planning". This would, for us, fit well with a wider landscape of varying timescales for national, regional and local strategies/plans across a number of subject areas.

We would welcome further clarification as to whether there will be one strategic plan for Scotland, in terms of a consolidated version that includes all routes, and support the proposal for at least a decade context for the determination, given this fits with the timescales for local development plans and shorter horizons for initiatives such as City Region Deals.

We also welcome the proposal in paragraph 20 for routes to share with their stakeholders a much wider range of material and would hope that would also be in a non-technical format to enable even greater engagement with communities.

In regards to wider stakeholder engagement for CP6 and the question of who are relevant stakeholders, we would welcome inclusion with the list in paragraph 33 of communities, councils, planning authorities and also regional authorities such as Regional Transport Partnerships in Scotland. Furthermore, in terms of efficiency and financial performance in paragraph 53, it would also be helpful to make mention of communities rather than taxpayers.

We would presume that in terms of scorecards and route objectives, that the format of presentation will enable comparison and longitudinal measurement and recognise the potential difficulty of devising objectives prior to the publication of HLOS and SoFA. In terms of appraising proposed improvements in a proportionate form to inform funding choices, will this be undertaken via some form of scenario planning, with a strategic and inter-connected appraisal, where not doing a certain project is recognised in terms of its impact on other related projects?

With reference to supporting comparison between routes, will there be some form of benchmarking process developed or formalised, via annual public reporting on scorecards and consolidated plans to enable a systematic analysis? Will the consistently defined metrics for route forecasts be measurable and tangible?

With regard to safe asset performance, it may be helpful for non-expert stakeholders to have further detail on how you could depart from the first outcome of "safe" without being clear on the definition of "safe" as it will be subjective for certain communities of interest.

Finally concerning the proposals for Network Rail's approach beyond the SBP and during CP6, is there an implied consultation on the update of the annual business plan when new information is available, will this be a wide ranging engagement opportunity or specific to the new information?

In terms of the grading of route SBPs, is there an opportunity through this process to publish good practice guidance?