

On the right track

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FAST FACTS

- The rail network in Scotland is publicly owned.
- Network Rail owns, operates and maintains the rail network, including bridges, tunnels and stations.
- In the year to 11 November 2017, 54% of delays to ScotRail services were due to Network Rail, while 37% were attributed to the Train Operating Company.
- The fact that majority of delays to ScotRail services remains the fault of Network Rail highlights that simply nationalising the franchise won't make trains run on time.
- The Scottish Government can legislate for the construction of new railways which are entirely within Scotland.
- The Scottish Government is responsible for the strategic policy and funding of the rail network in Scotland, but the body charged with carrying out that delivery, Network Rail, is ultimately accountable to the Secretary of State for Transport.
- As a result it would make sense for the Scottish section of Network Rail to be devolved and answerable to Scottish Ministers, working with the UK body where appropriate.
- The priority for Scotland's rail network should not be whether one franchise is public or private, but to set up a Scottish Rail Infrastructure Commission to look at our rail network over the next 30 years and consider much needed transformational change.

CONTEXT

There has been an increasing level of debate about the role of the public sector within the rail network in Scotland.

The SNP believe that a public sector bid should be prepared for the next time the ScotRail franchise is up for tender.

Scottish Labour is looking at models for a publicly owned ScotRail,¹ and following his election as leader of the Scottish Labour Party, Richard Leonard re-iterated his belief that the railways should be in public ownership.²

Scottish ministers now have the power for a public sector bid for the ScotRail franchise; a power that they did not have when the current franchise was awarded to Abellio in 2014.

The Scottish Government's Programme for Government states *"In 2017-18, we will identify a suitable public body to make a robust bid for the next ScotRail franchise contract and confirm the next steps for the preparation of a bid."*

BACKGROUND

The issue of whether our railways should be nationalized never seems to be far from the newspaper pages. However, the actual situation regarding trains, tracks and ownership in Scotland is a little more complicated than simply a public/ private sector debate.

¹ <https://party.coop/2017/11/30/a-public-future-for-scotlands-railways/>

² <https://www.commonspace.scot/articles/12069/give-scotrail-back-public-cross-party-support-emerges-railway-reform-after-major>

First, as the Scottish Government's Programme for Government acknowledges "*the rail network in Scotland is already publicly owned*".³ In other words the track, bridges, tunnels and stations are already owned by the public sector. They are managed by Network Rail. So talking about bringing our railways back into public ownership is in itself misleading as the rail tracks themselves are already in the public sector.

What are not, are the trains that run on those tracks.

Rail franchising was created by the Railways Act 1993 and is the process of contracting out passenger rail services to Train Operating Companies (TOCs).

To complicate matters further, TOCs tend not to own the trains they use directly, but lease them from Rolling Stock Leasing Companies (ROSCOs).

There are a number of different franchises which operate throughout the UK. The Scottish Government is responsible for two – ScotRail and the cross-border Caledonian Sleeper. The former franchise was awarded to Abellio in 2014 and the latter to Serco Caledonian Sleepers Limited, also in 2014.

There are also other franchises which operate in Scotland, as well as other parts of the UK, but are awarded by the UK Government. These include Cross Country, East Cost, West Cost and TransPennine Express.

As well as being responsible for managing the two franchises, the Scottish Government is also responsible for providing the strategic direction and funding for maintenance,

renewal and expansion of railways in Scotland. It can also legislate for the provision of new railways which are entirely within Scotland.

But to confuse matters even further, although the Scottish Government is responsible for funding the railway network in Scotland, the public body charged with carrying out that responsibility is Network Rail, which is answerable to the UK Government and the UK Secretary of State for Transport is the sole member of Network Rail Limited.

So...

- The rail network in Scotland is owned by the state.
- It is funded by the Scottish Government.
- But it is managed by a public body accountable to the UK Government.
- The network is split into different franchises, a number of which cover Scotland. Only one is wholly within Scotland and the Scottish Government is responsible for awarding two of the franchises.
- The companies which run these different franchises are called Train Operating Companies.
- Train Operating Companies can lease trains from Rolling Stock Leasing Companies.

Yes it's a mess, but who is running one of the franchises should not be the biggest issue facing the rail network. What would nationalization or bringing ScotRail into the public sector actually bring about?

There needs to be a realisation that simply bringing ScotRail into public ownership would not make the trains run on time:

³ <http://www.gov.scot/Resource/0052/00524214.pdf>

Network Rail publishes Public Performance Measure (PPM) data which shows the percentage of trains which arrive at their terminating station within 5 minutes (for London & South East and regional services) or 10 minutes (for long distance services).

It combines figures for punctuality and reliability into a single performance measure and is the current industry standard measurement of performance.

The following table shows PPM for the 365 days to 11 November 2017 by train franchise⁴:

Train Operating Company	PPM Moving annual average (MAA)
c2c Rail	95.3
Merseyrail	95.1
London Overground	94.8
TfL Rail	94.5
Chiltern	93.1
East Midlands Trains	92.5
Arriva Trains Wales	92.1
ScotRail	90.8
Heathrow Express	90.5
Northern	89.5
Greater Anglia	89.2
Crosscountry	89.2
London Midland	88.6
Caledonian Sleeper	88.3
Total National Performance	88.3
Transpennine Express	88
Southeastern	88
Great Western Railway	87.4
Virgin Trains West Coast	87.3
Grand Central	85.8
South Western Railway	85.6
Virgin Trains East Coast	84.7
First Hull Trains	79.9
Govia Thameslink Railway	79.5

⁴ <https://www.networkrail.co.uk/who-we-are/how-we-work/performance/public-performance-measure/>

This means that 90.8% of ScotRail trains, and 88.3% of Caledonian Sleeper trains were found to arrive at their destination within 5 minutes (or 10 minutes for longer distance services) of when they were due.

As delays can often be caused by over running works or problems with the track, which are not the responsibility of the Train Operating Company, the next table shows where responsibility for delays fell in the 365 days to 11 November 2017:⁵

Operator	Total attributed to Network Rail	Train operator caused to self	Caused by other passenger train operators	Caused by freight train operators
Crosscountry	62%	10%	21%	7%
Heathrow Express	68%	10%	17%	5%
Grand Central	60%	14%	23%	3%
First Hull Trains	62%	15%	21%	2%
Virgin Trains West Coast	70%	15%	10%	5%
Transpennine Express	57%	17%	21%	5%
London Overground	62%	17%	16%	5%
East Midlands Trains	62%	20%	12%	6%
South Western Railway	71%	24%	3%	2%
Southeastern	70%	25%	2%	4%
Virgin Trains East Coast	61%	25%	10%	3%
Greater Anglia	62%	28%	4%	6%
Great Western Railway	61%	28%	5%	6%
London Midland	55%	29%	11%	5%
TfL Rail	56%	29%	10%	5%
Northern	53%	35%	9%	3%
Govia Thameslink Railway	60%	36%	3%	1%
Arriva Trains Wales	54%	37%	6%	3%
ScotRail	54%	37%	6%	2%
Merseyrail	59%	38%	2%	0%
c2c Rail	57%	39%	1%	2%
Chiltern	43%	44%	6%	6%

⁵ <https://www.networkrail.co.uk/who-we-are/how-we-work/performance/public-performance-measure/>

The second table illustrates that although ScotRail has a high level of delays that it caused to itself, the majority of delays on ScotRail trains are attributed to Network Rail, whether as a result of operations, infrastructure or other external issues.

This means that 54% of delays to ScotRail trains in the year to 11 November were as a result of a body already within the public sector and highlights that simply bringing ScotRail into the public sector would not necessarily make the trains run on time.

Instead of arguing over who runs ScotRail Reform Scotland thinks the focus of the debate around the rail network should be on Scotland's poor rail connectivity; on our lack of electrification; and moving away from the obsession of cutting train times to London, when it can take longer to travel far shorter distances within Scotland.

In our [Track to the Future](#) report published in November 2016 we highlighted poor journey times within Scotland and how too much of our rail network is not yet electrified and is single track. This is bad for connectivity and impacts on tourism, local economies and growth.

For example currently the fastest service takes about 2 hours 10 minute to travel about 100 miles by train between Aberdeen and Inverness. By 2030, under current Scottish Government plans, it is hoped that this will lead to an average journey time of 2 hours.⁶

⁶ <https://www.transport.gov.scot/projects/aberdeen-to-inverness-rail-improvements/aberdeen-to-inverness-rail-improvements/>

By 2025 it is hoped that the average train journey times between Inverness and the Central Belt will reach three hours.⁷

Yet at the same time the ambition of HS2, and connecting it to Scotland, which the Scottish Government supports and initial feasibility studies have considered,⁸ is to deliver a journey time target of 3 hours between the Central Belt and London.

In other words we are currently considerably more ambitious about connecting the Central Belt to London than we are of improving train times within Scotland. Shouldn't that same ambition be reflected within Scotland?

In March 2016 the National Infrastructure Committee, chaired by Lord Adonis, published High Speed North. The report called for a "transformation" in connectivity between cities in the North of England.

Planning, scoping and finding resources for major rail expansion can take a very long time, as the development of HS2 has highlighted. If we want a transformational change in connectivity within Scotland we need to start discussing this now.

Whether the TOC awarded the franchise for running ScotRail is a private or public company it has little impact on these wider issues. Indeed, as the majority of delays to ScotRail services are the fault of Network Rail, it won't even ensure the trains run on time. So why is the policy focus on this relatively minor issue, when so much more is needed?

⁷ <https://www.transport.gov.scot/projects/highland-main-line/>

⁸ <https://www.transport.gov.scot/media/1606/rail-high-speed-rail-scotland-summary-report-web-version-march-2016.pdf>

POLICY RECOMMENDATIONS

Reform Scotland does not believe that the priority for improving our rail network in Scotland should not focus around whether the ScotRail franchise is operated by a private or public company, but should look at what transformational change is needed to help improve connectivity and grow our economy.

The Scottish Government deserves credit for having in place a rolling programme of much-needed investment to upgrade our railways.

Electrification brings many benefits, though those plans are limited to certain areas. However, it is also important to recognise that upgrading railway lines is far from straightforward and it will always be difficult to try and fix or improve something when you want to use it at the same time.

Partly for this reason, rail infrastructure projects seem to require a great deal of time and planning. Already there are route designs looking at how to extend HS2 to Scotland, despite the fact that HS2 won't be complete until 2033.

Improved rail infrastructure can also bring economic benefits and attract people to an area and potentially address the projected decline in working age population in areas such as the Highlands

Devolve Network Rail

Although the Scottish Government is responsible for providing the strategic direction and funding for the Scottish rail network, ultimately Network Rail is a UK body answerable to the UK Government.

Reform Scotland believes that responsibility for the Scottish route should transfer to a new body directly responsible to, and answerable

to, the Scottish Government. That body would, of course, have to work with Network Rail on cross-border rail, but the change would mean a far clearer, and more transparent, line of accountability. The Scottish Government already has responsibility for the Scottish network, therefore it makes sense that the body tasked with managing that route is ultimately answerable to a Scottish Government minister, as opposed to the UK Secretary of State.

Scottish Rail Infrastructure Commission

In thirty years' time, do we want to be in a situation where it could take less time to reach London by rail from Edinburgh than it does to reach Inverness?

What about links between Dumfries and Galloway and Edinburgh? Or Glasgow Crossrail, or Edinburgh and Glasgow airport rail links?

Obviously there are limits on expenditure, though innovative ways of raising income to pay for infrastructure could be considered.

Reform Scotland is not saying that the Scottish Government should definitely create a new high speed line to the north, or improve links to major towns in the Borders, or introduce other new lines. But we are calling on the Scottish Government to look at these options as part of a wide-ranging commission, to examine what is possible, what the costs would be and, most importantly, what benefits such transformational change could bring.

And while rail links to London are important, so too are links within Scotland, links which are sadly lacking at present.

Such a commission should look at links to city regions, local networks and rural and scenic areas. The commission should also consider what impact improving the links could have on regional economies.

This report, from the National Infrastructure Commission about the North of England highlighted connectivity problems and looked to find innovative solutions.

A similar commission is needed for Scotland. Both the Scottish and UK Governments have looked at what may be possible in terms of extending HS2 once it is completed in nearly 20 years' time. With rail infrastructure, ideas and discussions need to start early. There are ideas, regardless of whether they actually happen, about significantly cutting journey times from the Central Belt to London. Shouldn't that ambition be reflected within Scotland too?