

## SPECIAL THEME: Funding Scottish Transport

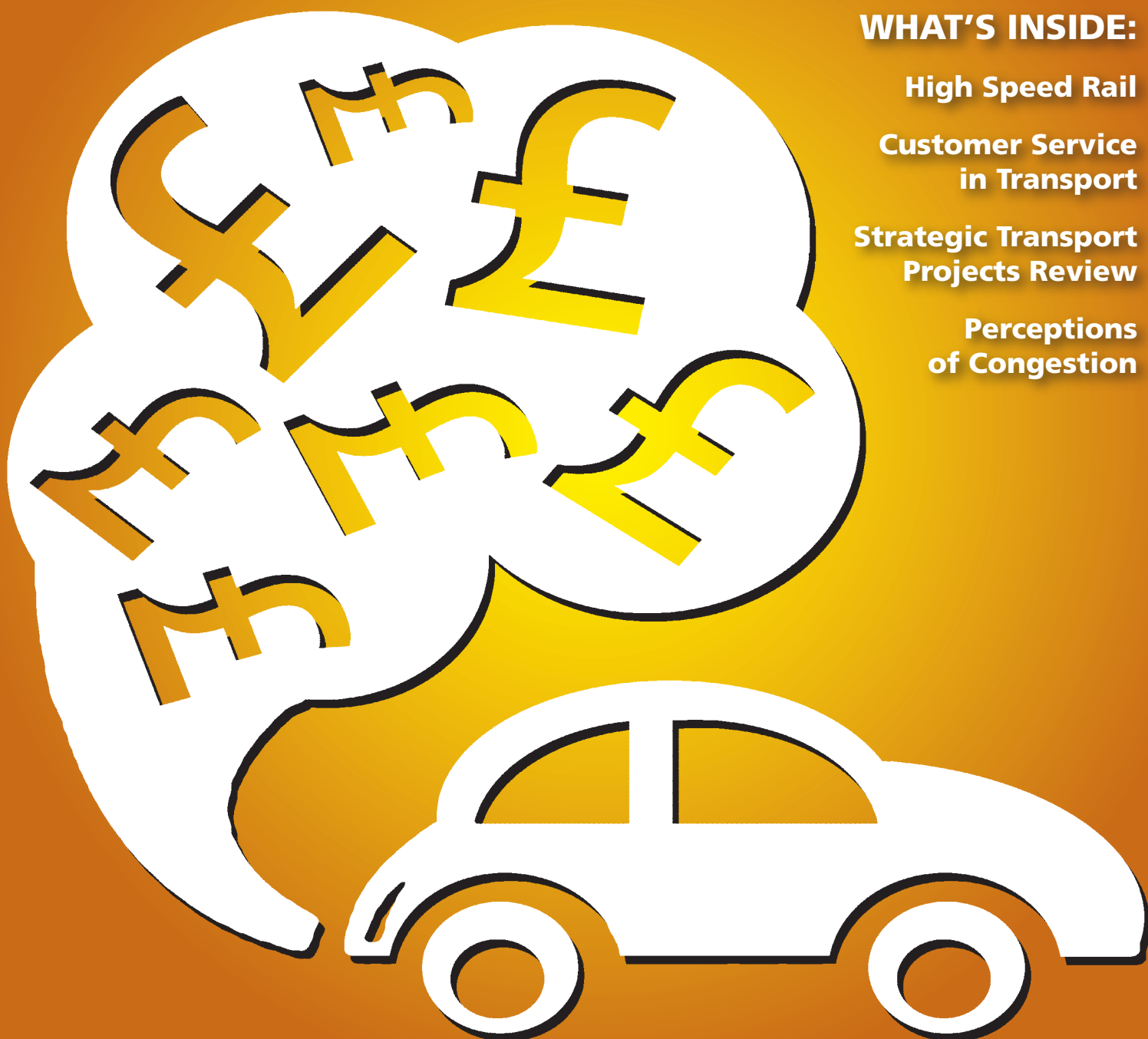
### WHAT'S INSIDE:

High Speed Rail

Customer Service  
in Transport

Strategic Transport  
Projects Review

Perceptions  
of Congestion



## Contents

### FUNDING SCOTTISH TRANSPORT **3-6**

This feature summarises the presentations made by six speakers to the STSG event on this topic in October 2008. Politically difficult ways of funding Scottish transport raise the most money but more practical short term approaches are delivered through partnership.

### HIGH SPEED RAIL FOR SCOTLAND **7-9**

Four differing perspectives on High Speed rail. A 'yes', a 'no', a 'maybe' and an 'it depends'.

### NEWS REVIEW **10-11**

Some of the public debate about Scottish transport in recent months

### CONGESTION EXPERIENCES IN SCOTLAND **12-13**

Julie Ann Goodlet-Rowley of the Scottish Government has found that there has been a slight increase in the level of road congestion as perceived by Scottish Households with the proportion of time lost on shorter journeys being larger than for longer trips.

### RESEARCH AND STATISTICS UPDATE **14**

### STRATEGIC TRANSPORT PROJECTS REVIEW **15**

The strategic projects review has faced a very wide range of responses. A strategic review must have a strategy to work from but stakeholders in Scottish transport appear to be defining strategic differently.

### CUSTOMER SERVICE IN TRANSPORT **16**

Dugald Cameron suggests that in public service delivery staff morale, passion, commitment and enthusiasm are the characteristics from which real customer service arises. Perhaps the customer should come last if we are to deliver better customer service..

## The Scottish Transport Studies Group (STSG)

STR is the newsletter of the Scottish Transport Studies Group (STSG) and is largely funded from STSG membership subscriptions. STSG was formed in 1984 and now has corporate and individual members from transport operators, industry, national government, local government, universities, and consultants.

The aims of STSG are "to stimulate interest in, and awareness of, the transport function and its importance for the Scottish economy and society; to encourage contacts between operators, public bodies, users, academia and other organisations and individuals with interests in transport in a Scottish context; to issue publications and organise conferences and seminars related to transport policy and research". STSG is a charity registered in Scotland number SCO14720.

Published by LBD • [www.lbd.uk.net](http://www.lbd.uk.net)  
Tel. 0131 665 3326

### Who decides what goes in STR?

Firstly the members of STSG - We rely on STSG members and others telling us about interesting studies they have completed or knowledge they have. To keep subscriptions low we need members to invest time to share their knowledge. STSG has some funds to commission some analysis and reporting but the editorial work is undertaken voluntarily.

Secondly the Editor Derek Halden, assisted by the STSG Committee tries to fit the contributions into 16 pages and create a readable document.

If you can contribute to STR please e-mail [editor@stsg.org](mailto:editor@stsg.org)

Ensure you receive Scottish Transport Review Regularly by Joining STSG

**S**cottish  
transport  
studies Group

Individual membership £30, Company membership £60 to £500

All STSG correspondence and membership enquiries should be addressed to 26 Palmerston Place, Edinburgh, EH12 5AL.

Telephone 0870 350 4202, Fax 0871 250 4200, E-mail [enquiries@stsg.org](mailto:enquiries@stsg.org)

Name: ..... Position: .....

Organisation: .....

Address: .....

.....

..... Post Code: .....

Telephone: ..... E-mail: .....

[enquiries@stsg.org](mailto:enquiries@stsg.org)

[www.stsg.org](http://www.stsg.org)

# Funding Scotland's Road and Rail Projects

*William McWilliams, Grant Thornton*

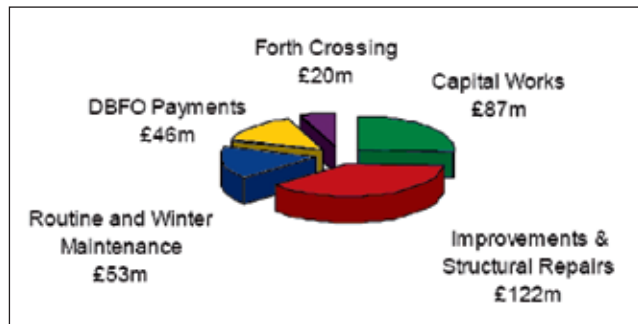
Transport faces significant funding challenges in the coming years. Current market conditions are placing greater pressure on Government Support for projects. There are conflicts between project risk and balance sheet objectives.

The total transport budget for 2008-09 is £2,258m, a 1% increase from the previous year. The budget is to increase by 10% for 2009-10 due to funding for major rail projects. There is then a further 3% increase in budget for 2010-11.

Current funding comprises:

- Bus - £57m for Bus Service Operators Grant, £415m worth of revenue and concessionary fares reimbursement and £37m of expenditure by local authorities on supported services
- Trunk roads and motorways – As shown in the figure plus £546.5m for cost of capital and £51m for depreciation. The DBFO payments relate to two PPP contracts: A74(M)/M74, Autolink Concessionaires, until 2027. M77, Connect, until 2037.
- Rail – As shown in the figure.

Funding pressures are increasing. There is a loss of investor appetite for wrapped bond insurance. Liquidity pressures in banking sector are leading

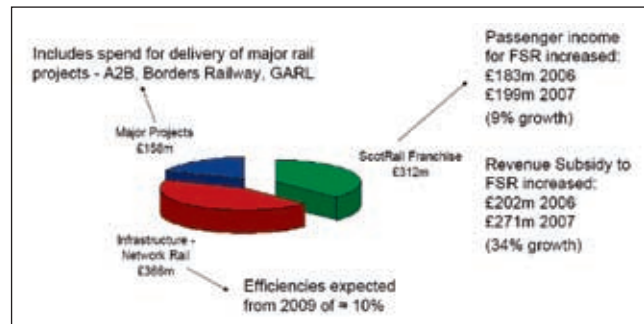


to the exit of lenders from the market, withdrawing non-credit committee approved offers, re-pricing terms on which they are prepared to lend, "market flex" clauses, seeking club deals and deterioration in funding terms.

For an average conurbation with a 2m population, 700k FTE jobs, and a median average salary of £23k the table outlines the scale of revenue achievable from five funding options:

Mechanism	Rate	Est Rev pa
Business Rates Up Lift	4p	£45m
Congestion Charge	£5	£60m
Fuel Duty Top Up	1p	£16m
Payroll Tax	1%	£161m
Sales Tax	1%	£100m

Some of the potential funding sources are politically difficult.



## The New Policy Context for Transport Investment

*Alex MacAulay, Director of SESTRAN*

At a national level Scottish Government is responsible for national policy and strategy, ports and harbours, ferries, freight facilities grant, and air. Transport Scotland are responsible for the rail franchise, trunk roads and motorways, national concessionary travel, and other major projects.

The 32 Local Authorities in Scotland are responsible for local roads and car parks, local public transport support (except SPT, SWESTRANS and ZETTRANS) and local transport strategies.

The local authorities work in partnerships set up under the Transport (Scotland) Act 2005. The primary responsibility of the partnerships is Regional Transport Strategy. Regional capital and revenue projects are also delivered directly and in Partnership with the local authorities. SPT, SWESTRANS and ZETTRANS have significant public transport functions transferred from the local authorities.

In June 2008 all 32 Local Authorities agreed Single Outcome Agreements with Scottish Government. About half of these had direct involvement with Community Planning Partnerships. All seven Regional Transport Partnerships provided inputs. Transport content was variable.

It is very difficult to fund Regional Projects since funding needs to come from LAs and there is pressure on local transport budgets from other service priorities. National Government will focus on national schemes and local councils focus on very local issues.

There is a need to look for innovative funding mechanisms such as: prudential borrowing, EU funding, National Lottery, developer contributions not easy in the credit crunch, revenue maximisation from current activities, local transport tax.

## Policies Opportunities and Practise

*Tony Rose, Price Waterhouse Coopers*

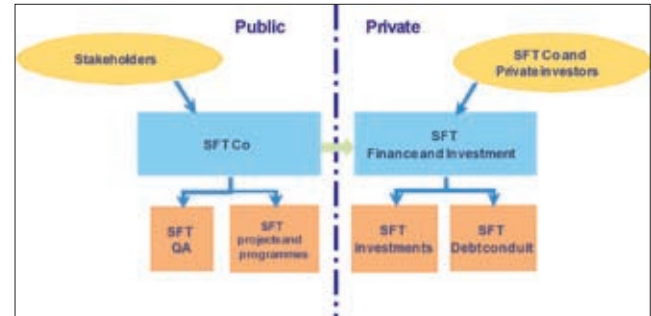
The Scottish Government Economic Strategy has a strong focus on infrastructure related to objectives for a wealthier, fairer, smarter, healthier, safer, stronger and greener Scotland. Despite a tight financial settlement there is growth in infrastructure investment.

The Infrastructure Investment Plan comprises £14bn over 3 years and £35bn over 10 years. 30% of this is transport investment. It is envisaged that delivery will be mainly through partnerships and non profit companies with 75% of funding from the public sector and 25% private.

The Scottish Futures Trust is intended to be "a cross cutting public sector initiative to deliver efficient, sustainable and good quality infrastructure investment, through improved planning, development, delivery and funding solutions". Scotland's economic growth needs high quality support for delivery and funding including greater scope for more collaboration in way public sector prepares and handles major infrastructure.

The SFT would have broad public sector governance and scope for efficiency savings of £100 -150m pa compared with other fundraising options. However to achieve this depends on building the financial market capacity which requires significant partnership building and dialogue.

### Scottish Futures Trust



To take forward the SFT, clarity is needed on where the deal flow is coming from and when. At a local level for Councils, the source of funding also needs to be identified. For investors they need to consider whether it is still worth being in Scotland with much greater investment taking place elsewhere in the world. For those involved with delivery, the initial reaction is that early PPP projects involved a long learning curve. The SFT would be a new and different structure and the new procedures would take time to learn and within which to compete with successful bids.

### Scottish Futures Trust and Transport Delivery

Concept	Possible Interface with Transport
Innovation in rail infrastructure delivery	
<ul style="list-style-type: none"> <li>focuses on the role that SFT could play in supporting the delivery of rail projects through an NPD ("Non-Profit Distributing") structure, to maximise value.</li> </ul>	<ul style="list-style-type: none"> <li>Potential link to the ongoing development of Borders Railway, and other rail projects going forward</li> </ul>
Finance conduit / framework funder (aggregated & competed senior debt)	
<ul style="list-style-type: none"> <li>SFT arranges finance for projects or programmes to deliver greater efficiencies from planned investment.</li> <li>This could include facilitation of Local Authorities grouping together for a Bond issue.</li> <li>adopt a due diligence role to mitigate risk.</li> <li>benefits in lower cost of finance form the "bulk funding" of aggregated projects.</li> </ul>	<ul style="list-style-type: none"> <li>Potential to aggregate a range of projects that could be attractive to a particular segment of the market</li> <li>If a structure included Local Authorities, to facilitate a grouped Local Authority financing in the form of a bond</li> </ul>
Efficiency measures in existing PPP deals	
<ul style="list-style-type: none"> <li>leverage value from existing PPP projects co-ordinating contract improvements and potentially re-financings.</li> <li>Any such approach would need to address the private sector interests as owner of the entity delivering the PPP project as well as those of the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>A number of existing PPP deals in the transport (road) sector exist to which this could apply, in addition to those proposed such as Borders Rail, M80, M8 and AWP</li> </ul>
Underpinned Financing of new NPD projects	
<ul style="list-style-type: none"> <li>underpinning by the SG of a proportion of senior debt</li> <li>enable the initial senior debt to be secured on attractive terms,</li> <li>regard to risks retained through underpinning obligations</li> </ul>	<ul style="list-style-type: none"> <li>If an on balance sheet financing structure is used (eg on balance sheet NPD), cost of finance could be reduced and hence value for money enhanced</li> </ul>
Risk capital investment in infrastructure	
<ul style="list-style-type: none"> <li>SFT as an investor (or co-investor) of risk capital</li> <li>includes establishment of an SFT JV investment vehicle between public sector and private sector investors</li> </ul>	<ul style="list-style-type: none"> <li>If a project finance (NPD) structure is adopted then the SFT could be used as a vehicle to bring in private sector risk capital (subordinated debt).</li> </ul>
Supporting on Balance Sheet NPD	
<ul style="list-style-type: none"> <li>leading role in continuing a programme of NPD projects</li> <li>adding value through standardisation, due diligence and potentially combined with the finance conduit function.</li> </ul>	<ul style="list-style-type: none"> <li>If an NPD structure is adopted then SFT would be likely to have an oversight / policy role on the adoption and development of NPD principles</li> </ul>
Advice / infrastructure planning / diligence functions	
<ul style="list-style-type: none"> <li>offers a solid platform of skills and co-ordination to support SG's range of project, programme and financing activities.</li> <li>principle objectives would therefore be: a) to ensure consistency in advice to Ministers; b) to guidance and standardisation c) to develop innovative delivery models; d) to apply QA rigorously e) to drive efficiency and remove duplication; and f) to allow representation of all market interests.</li> </ul>	<ul style="list-style-type: none"> <li>Major Projects Review – SG governance and oversight functions may pass to SFT</li> <li>Infrastructure Investment Planning – SFT may take on a coordination role of capital budgeting across SG and hence for transport projects fitting into the budget programme</li> <li>Market Management –Where there are synergies and similarities in terms of market interest, bidding resource etc</li> </ul>



# Making the case for Transport Funding in Glasgow

*Tony Hughes, Glasgow City Council*

Glasgow has the largest suburban rail network outside London, the only underground railway system outside London, extensive bus services, a good network of walking and cycling routes and good roads infrastructure. To maintain this position requires investment in existing and new infrastructure.

It would take 142 years to re-surface Glasgow's roads at current rate of revenue spend. 20% of bridges are weight restricted and it would take £100m to strengthen these to EU standards. Lighting column replacement and brighter, whiter lights both save money and improve safety.

Glasgow also faces significant regeneration challenges where transport improvements have a key role to play. These include new roads, new rail stations, and improved bus services. Unless good public transport linkages are provided development results in more cars on the road and more pollution and congestion.

Key transport strategy proposals within Glasgow include:

- East End Regeneration Route
- Easterhouse Regeneration Route,

- North Clydeside Development Route
- Clyde Fastlink
- Gartloch Road
- Orbital Links
- Crossrail
- Parking Controls
- Streamline
- Smarter Choices

*Private developers are only willing to fund committed projects which directly affect their schemes*

There is currently insufficient funding to allow these all to proceed. The Single Outcome Agreement funding settlement is largely population based. Glasgow has infrastructure needs related to its critical role as a major regional and economic centre. Transport funding needs are therefore not specifically related to resident population.



Also the road maintenance element of the SOA funding is related more to road length than traffic volumes. Some non-national projects are too large for local authorities to fund. Private developers are only willing to fund committed projects which directly affect their schemes.

Investment in quality, tangible infrastructure can and must be the driver for economic recovery.



## Funding Bus Services through Revenue Growth

### Ian Craig Lothian Buses

Lothian Buses has successfully increased patronage from 82 million passengers in 1998 to 114 million in 2007. 2008 will see the first fall in patronage due to the tram construction works in Edinburgh. This is a 40% increase in 9 years. Only 6% of the growth is from concessionary fare passengers with the remaining 24% from full fare paying passengers.

As a result the turnover of Lothian Buses has grown from £48m in 1998 to £98m in 2007. Passenger volume growth continues to buck national trends in the bus industry. 75% of income comes from fare paying passengers.

A key factor in the revenue growth is the low fares policy with day tickets at £2.50 being less than most other cities such as London, Birmingham, Newcastle, Manchester and Glasgow.

*A key factor in the revenue growth is the low fares policy*

Making it easier to pay is also a key part of revenue growth. In 2007 55% of all tickets were on the Lothian Buses 'Ridacard' smartcard system.

There are also:

- Three travel shops in Edinburgh and one in Dalkeith
- On street ticket machines which are visitor friendly and which speed up boarding.

- High quality information with 3000+ bus stop information panels, real time information, and a website.
- A simplified network with 54 route numbers in 2008 compared with 78 in 1998.
- A flat fare adult day single fare.
- A new high quality low floor bus fleet.



## Funding Transport and Development

### Crawford McGhie, East Dunbartonshire Council

East Dunbartonshire's transport funding comes from the Local Government settlement, innovative partnerships, private sector contributions,

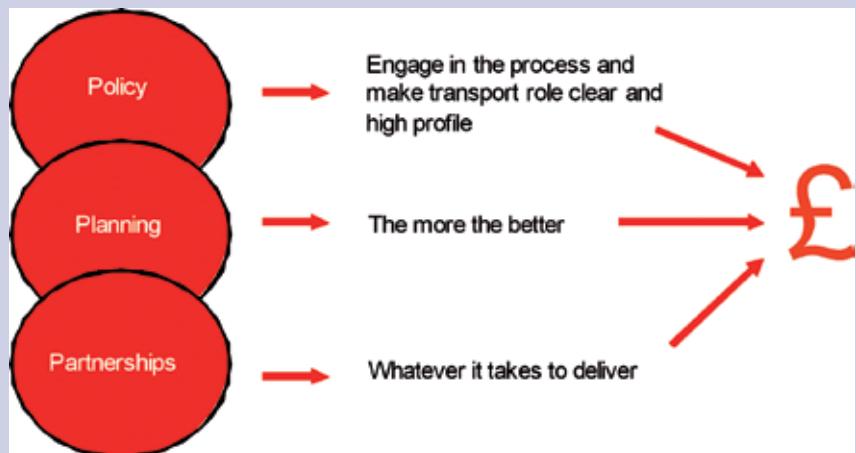
National Government (funding), other sources of grants, and fee earning activities.

For example the Kirkintilloch Initiative is a £56 million regeneration package consisting of 11 key projects 1000 jobs and 100 new businesses. The implications of the Initiative for transport funding are:

- Kirkintilloch link road and Southbank access
- Traffic management - Lenzie corridor and Town Centre
- Countryside access network
- Park and ride at Lenzie station
- Town centre and Southbank parking
- Improved walking, cycling and public transport

Transport funding and development success are closely linked. The Council will continue to secure the partnerships needed to for transport investment in the area.

*secure the partnerships needed to for transport investment in the area*



# A Passenger Voice on High-Speed Rail Services

*Robert Samson - Passenger Focus*

“Scotland’s Railways” set out short term, medium term and long term priorities for Anglo Scottish routes. This includes the short term commitment to reduce fastest journey time from Glasgow to London to four hours fifteen minutes through the implementation of the West Coast upgrade. This is being achieved in December 2008 when the upgrade is complete.

Medium term the aim is to achieve a four hour fastest journey time from Edinburgh and Glasgow to London and three hour fast through services to Manchester and the North West. Network Rail is currently undertaking a study of options for building new infrastructure along five key strategic rail corridors: Midland Main Line, Great Western Line, Chiltern Line, East Coast Main Line and West Coast Main Line. It is anticipated that options will be developed as part of the study to achieve the medium term objectives.

Long term the aim is to achieve a high speed rail link between Scotland and London. The principal benefits of high speed rail are that

a) it can deliver faster journey times b) it can deliver substantial additional capacity to relieve “classic” routes which may be close to capacity and c) it can contribute towards modal shift. Edinburgh-London is 393 miles. Glasgow-London is 401 miles, putting both central belt cities within the ideal range for effective high speed rail links. There are a number of conflicting studies regarding the environmental benefits of high speed rail services. Carbon emissions per passenger for a journey between London and Edinburgh will be approximately 7kg of carbon for conventional speed rail, 14kg for high speed rail and 26kg for aviation.

High speed rail services should be fully integrated with existing networks for two principal reasons: a) Given that any new high speed link might be constructed in phases to relieve the most capacity constrained sections of existing routes first, the trains running on it should be capable of running

through onto classic lines so that passengers enjoy fastest possible and seamless end-to-end journeys. b) Trains running on high speed lines should be capable of running forward at conventional speeds to key destinations which are unlikely to be served by high speed lines in the medium term, again to produce fast, seamless journeys.

Existing lines from major centres of population in Scotland should be capable of carrying high speed trains, allowing them to run forward onto classic lines at reduced speed to provide seamless journeys in the same way as French TGVs do. Timetables, accessibility at stations and ongoing journey time reductions on existing rail links should be considered to ensure seamless connections for passengers not directly served by high speed rail services.

*The fares structure of any new high-speed rail services will be a determining factor*

The Spring 2008 National Passenger Survey published by Passenger Focus shows that only 52% of passengers travelling on long distance routes are satisfied with the value for money for the price of their ticket. The fares

structure of any new high-speed rail services will be a determining factor on improving accessibility and affordability. If high speed rail services are developed to enhance connections between the main centres of business on each side of the Border, they should also meet the reasonable demand of intermediate communities.

The funding of high speed rail services requires careful consideration. If funding for a new high speed rail service was to come from existing rail budgets what would that mean for existing rail passengers and investment against their priorities? Research conducted by Passenger Focus in 2007 into passenger priorities for improvement asked passengers to rank a series of thirty station and train based criteria according to the relative priority for improvement. The top ten priorities for developing the rail network are shown below.

Scotland Rank	Attribute	GB rank
1	Price of train tickets offer excellent value for money	1
2	Sufficient train services at times I use the train	2
3	At least 19 out of 20 trains arrive on time	3
4	Passengers are always able to get a seat on the train	4
5	Maximum queue time no more than two mins to purchase tickets	6
6	Passengers kept informed of delays	5
7	Seating area on the train is very comfortable	9
8	Information on train times/platforms accurate and available	7
9	Trains are consistently well maintained/in excellent condition	8
10	Passengers experience a high level of security on the train	10



## The Folly of Predict and Provide for High Speed Rail

*David Spaven, Deltix Transport Consulting*

Too much of the debate about high-speed rail to Scotland has been based on the presumption that "if it's rail, it must be good". Very few commentators have dared to look at the elephant in the corner of the room – the fast-approaching economic and resource limits to the growth of all forms of motorised transport, not least for optional long-haul travel.

In the wake of the credit crunch and future cut-backs in public expenditure, there must be severe doubts that the UK and Scottish Governments would ever find the money for a dedicated high speed rail route from Scotland to London. But even if they could, do we really need high-speed rail? The argument essentially boils down to two key issues – the speed and capacity of the existing trunk rail network.

On speed, the key argument of high-speed rail lobbyists has been that it is only once a 3-hour journey time threshold is reached that rail can become competitive with the airlines. In the wake of security changes at airports, that threshold is now widely acknowledged to be closer to 4 hours, and we know that East Coast Main Line journey times, for example, could be reduced to less than 3 hours 45minutes without building an entirely new route.

By eliminating some intermediate stops, raising line speeds to 140 mph (the capability of the existing 225 electric trains), doubling the busiest double-track sections to four-track, and providing by-passes of the most sharply curved pinchpoints such as at Morpeth, the Edinburgh-London journey time could be brought close to the 3 hours 29 minutes record run in 1991. Similar arguments apply to the West Coast Main Line.

Capacity is a more important factor, and clearly there is an argument that new routes would free up capacity on the conventional network for freight and local passenger trains. But might we be better to focus investment on upgrading existing cross-country lines to secure a major modal shift from road haulage to rail freight, potentially bringing far greater environmental benefits than passenger modal switch?

The EuroRail Freight Group has been making the case for a freight-prioritised rail route from West Central Scotland to London, which would predominantly use existing rail lines and some closed formations, with just four miles of entirely new construction. The new route would be geared to heavier and longer freight trains, and could remove five million lorries a year from Britain's roads.

Perhaps the strongest argument against high speed rail to Scotland is simply that it would generate far too many new carbon-creating journeys never made before, rather than just a simplistic switch from 'nasty' planes to 'nice' trains. Instead of getting too fixated with the relative energy consumption of different passenger transport modes, we should accept that we now face a choice between artificially prolonging the life of the 'predict and provide' hyper-mobile society – which particularly benefits the better-off – or recognising the limits to growth and the need to manage demand down to a sustainable level.

Over the last couple of decades the logistics industry has got well used to the concept of 'just-in-time' transport. In future years we will all have to adjust to the need for 'just enough' transport. For a more detailed discussion by David Spaven on high-speed rail to Scotland, see <http://www.transformscotland.org.uk>

## Support for High Speed Rail from The Chartered Institute of Logistics and Transport (UK)

We see rail as offering in principle the best prospects for promoting development of long-distance passenger and freight transport so as to deliver an economy and society that are both sustainable and inclusive. We therefore view the development of a high-speed network alongside the existing West and/or East Coast Main Lines from Scotland to South-East England as key to reducing our dependency on carbon-intensive short-haul aviation, while releasing slots for the long-haul flights on which this island's place in the global economy relies. We accordingly believe that Heathrow should be in the high-speed network so as to ensure that the need for short haul flights for those travelling onward from there are minimised. We want the capacity thus thrown up on existing routes to be used for the development of railfreight and also of regional passenger services, benefiting the areas either side of the Border that at present are poorly-served due to the preponderance of long-distance traffic.

We welcome next year's completion of West Coast Route Modernisation as marking a step-change in the development of Anglo-Scottish rail travel and recognise the desirability that further development should take the form of off-line enhancement rather than risking any repetition of the intrusive engineering works that over the last decade have proved so disruptive particularly to weekend rail travel. Mindful of the potential difficulties of land acquisition, we are however concerned that rail must not be allowed to rest on its laurels and believe that the industry should receive every encouragement to take forward further incremental improvements including a Stafford cut-off and the restoration of the Carlisle freight by-pass lines so as to avoid the risk of blight while a high-speed network is in gestation.

For the sakes of maximum connectivity and energy conservation, we favour conventional rail engineering - as exemplified by the High Speed One link with the Channel Tunnel - over maglev and other unproven technology that cannot be fully integrated with existing networks. Maglev would entail either terminating on the outskirts (eg at airports) or else hugely expensive new alignments to penetrate city centres, not only in Glasgow and Edinburgh but also in Leeds, Manchester, Birmingham and London. As to type of train, we commend to the Committee's attention for both performance and passenger comfort the latest designs used in countries such as Spain, France, Germany, Italy and Japan. High speed is not of course the only factor that is important in persuading passengers to use rail rather than air - one factor that has increased in importance over the years is the evidence that people value the ability to spend time productively whilst travelling, which in turn suggests the importance of the travelling environment.'

The emerging world financial order gives the British Government an opportunity to use the leverage of its stake in the banks to expect that they should invest in transport infrastructure, thus helping lead the economy out of recession, and the proposed Scottish Futures Trust which



is being charged with delivering the partial reopening of the Waverley Line ought also to have a role ensuring that a high-speed network becomes cross-Border instead of terminating in the North of England. So as to maximise synergy with existing operations, we believe that at the Scottish end a high-speed network should grow out of Scottish Ministers' plans to improve by 2016 rail links between Edinburgh and Glasgow and to electrify the domestic network to Aberdeen and Inverness. Car-parking clearly needs to be considered for a significant segment of potential customers, whether it is provided at existing hubs, at suburban stations offering access to hubs, at parkway stations or at a mixture of these but access by more sustainable modes including bus, taxi, walking and cycling must also be promoted - and in order to prevent unnecessary generation of road traffic, we consider that the temptation to build parkway stations on the new network may have to be resisted in favour of linkage with existing hubs such as Motherwell.

Having declared our enthusiasm in principle, in the current financial situation we must end on a cautionary note. The perceived cost of long-distance rail travel has risen significantly in recent years and while the rail industry claims to offer really attractive deals if booked in advance, these seem at least until now to be less easily accessed than are those by plane. High-speed rail services will need to be more competitive than those on offer today if they are to be used to capacity. As well as carbon comparisons between the two modes, the fares issue must also be addressed since at the end of the day and especially in the circumstances of the credit crunch, businesses and individuals are bound to address their travel options on a cost basis. However there should also be encouragement for employers to recognise that the real cost of travel ought to include the employees' travelling time - and whether or not this is productive time.

## High-Speed Rail and Scotland

*Tom Hart, Glasgow University and Scottish Association for Public Transport*

Interest in high-speed rail and Scotland has shown a notable revival since, under Treasury influence, the topic was downplayed in the Eddington Report. Factors increasing both political and economic interest in the topic include:-

- Completion of more high-speed lines on the continent e.g. the new route just opened from Madrid to Barcelona and the fourth French high-speed route from Paris to Strasbourg
- Completion last November of the high-speed Channel Tunnel line to London St Pancras
- Problems of insufficient capacity on several sections of the West Coast and East Coast Main Lines and record levels of growth in rail usage in Britain
- The need to minimise increases in airport capacity (notably at London) by ensuring a substantial shift from British domestic air travel to rail
- The lower CO2 emissions per passenger km of well loaded trains compared to short-haul air travel (high speed rail has emissions between one-tenth and one-third of short-haul air depending on the energy sources used) coupled with the ability of rail to shift from reliance on oil through an enlarged electrification programme and more energy efficient rolling stock
- More favourable DfT, Network Rail & Scottish Government attitudes to high-speed rail, reinforced by the Greengauge21 and Atkins Reports on high-speed rail for Britain
- A perceived ability of high-speed rail to spread the balance of economic activity and population away from London and the South-east with net benefit for the UK economy.

High-speed rail can be defined as any service which can exceed the present British maximum of 125mph. DfT specifications for a future generation of high-speed trains already allow for trains running up to 250kmph (155mph) or to the higher maxima of 300/320kmph (187/200mph) applying on the continent. The maglev promoters, Ultraspeed, have also outlined plans for 500 kmph high-speed route linking cities in the North and embracing

extensions to London. A maglev route from Liverpool to Leeds via Manchester is under study but high energy costs, difficulty in accessing city centres and an inability to operate on existing route (including the Channel Tunnel) have led to a discounting of maglev by DfT. In Germany, proposals for maglev to Munich Airport have been dropped on cost grounds and the realistic British options for high-speed rail range from a mix of new route and existing route upgrades to 250kmph and a more pronounced shift to new route built to 300/320kmph standards supplemented by some existing route upgrade to 240/250kmph.

To contain both capital and maintenance costs, most new routes would be confined to high-speed passengers (and perhaps premium freight) with other freight and regional passenger movement eased by removing high-speed services from existing lines nearing capacity. In and near cities, however, extra capacity for national and regional passenger services can be found by the transfer of expanded local services to separate Urban Metro or light rail routes.

The underlying assumption that economic resurgence in the north will depend on a rise in connectivity by rail is questionable. Given a political will to shift activity to the north (and west), some emphasis on high-speed rail is justifiable but as part of an overall strategy for climate change, energy and an improving quality of life. At present, the air/rail split of Anglo/Scottish travel is around a 20:80 ratio to London. With rail trip times down to 3 hours or less, the European experience points to an ability to shift this ratio to 70% rail and 30% air, giving a large boost to rail revenue as well as some further revenue gain from generated traffic and shifts from both car and air to rail on trips to and from cities such as Manchester, Birmingham, Newcastle, Leeds, South Yorkshire and the East Midlands. This revenue and other costed benefits such as capacity release on existing rail routes, CO2 savings and reduced need for airport and motorway expansion forms the basis of a strengthening economic case for high-speed rail.

## What the Papers Say about Scottish Transport

### AVIATION

The collapse of charter company Seguro has cut traffic at Prestwick but the Airport Masterplan envisages a tripling of air freight and a rise to 12m passengers by 2033, including a return of transatlantic flights.

Canadian Air is to add 100 new flights to Glasgow in 2009. This will leave a net loss of only 50 flights on the Scotland-Canada corridors following the closure of Zoom in 2008.

Icelandair has suspended flights to Glasgow for four months.

Eastern Airways will start a new service from Aberdeen to Oslo in January.

Lufthansa will start Saturday services between Inverness and Dusseldorf next summer.

Air ambulance use is being expanded to meet Scottish targets for handling serious emergencies.

BAA Glasgow has completed a £31m plan for terminal expansion, speeded-up passenger security checks and expanded retailing. £16m runway resurfacing at BAA Edinburgh has been completed and work has started on a £40 departure lounge extension.

MoD has put up for sale the mothballed 10,000 feet runway at Machrihanish and associated facilities

### PORTS & SHIPPING

Netherlands-based Norfolkline is to restart the thrice-weekly Rosyth-Zeebrugge ferry in spring 2009 but with a smaller vessel and more emphasis on freight.



Hit by the high costs of a new superferry and the economic downturn, the Faroese government has stepped in to save the Smyril line from bankruptcy. One consequence may be the loss of Smyril summer services to Scrabster.

Western Ferries have again raised the issue of unfair treatment, illegality and waste of public money in supporting competition on the ferry routes to Cowal.

Peel Holdings, owner of Clyde Port and Mersey docks, have cooled their interest in a major container development at Hunterston. The new emphasis is on expanded coal imports, possibly associated with a large on-site coal-fired power station.

### RAIL

Balfour Beatty has been awarded a £60m contract for restoring and electrifying a double-track railway between Airdrie and Bathgate by late 2010. Work on restoring double track from Ratho Junction to Bathgate has already been completed.

The First Minister has announced a further £1bn of rail improvements – including extensive electrification.

The ORR review of rail spending for 2009-14 allows only £13m towards further such improvements.

The Strategic Project review to 2014 includes the Glasgow Airport Rail Link, a tram/rail interchange serving West Edinburgh and the airport plus a range of lesser schemes but there is continued uncertainty about the Glasgow Crossrail scheme.

The Scottish Parliament's Committee on Transport and Climate Change has started an inquiry into high-speed rail and Scotland. Even if funding is secured, initial high-speed lines beyond London are unlikely to be open before 2022.

Three companies are competing for slots to operate extra passenger services on the East Coast Main Line. Platinum is seeking approval for a limited premium fare service in 4 hours to Edinburgh and 6.5 hours to Aberdeen but National Express claims best value would come from more frequent and higher-capacity London to Edinburgh services in 4 hours 15 minutes.

Freight operator Stobart Group claims that the fuel saved by shifts from lorry to rail is now equivalent to 3 weeks consumption by the Group's lorries.

December timetable changes include faster services from Aberdeen to Edinburgh, a new intermediate hourly service from Dundee to Edinburgh and an hourly service from Perth to Edinburgh.

The reopening of Laurencekirk station has been delayed until summer 2009.

From January, ScotRail fares will rise by an average of 6% (1% above inflation) but by 4% in the SPT area where there was a previous fare rise in May.

### BUS, TRAM & TAXI

Charlie Gordon MSP has introduced a member's bill for bus re-regulation for which he is seeking support.

More bus wardens are being employed to ensure that existing regulation is enforced.

With Scottish Government funding, many buses are now fitted for smartcard ticketing yet major shifts to smartcard use and multi-modal ticketing have yet to be delivered.

SPT is seeking to be the delivery agent for smartcards in the west of Scotland.

Bus strikes have disrupted school travel in the North-east and Highlands.

The £4.5m 600 space Straiton bus park and ride opened in SE Edinburgh in October. This is the sixth park and ride around Edinburgh.

Calls have been made to retain and develop specialist branding for city transport around Glasgow and Edinburgh.

Severe disruption from tram streetworks in Edinburgh has led to re-scheduling to ease congestion.

Edinburgh City Council has rejected proposals for motor cycles to use bus lanes.

Aberdeen plans to takeover bus lane supervision and fines from the police.



West Lothian Council has approved £135,000 spend on improved bus services to Edinburgh Royal Infirmary.

Lothian Buses has modified plans for bus service cuts but cuts still include withdrawal of night services to Port Seton in East Lothian.

Edinburgh Coach Lines has introduced a limited number of Dumbiedykes-George Square trips without asking for Council funding.

West Lothian has subsidised two extra early morning services from Winchburgh to Livingston.

Arriva has reduced services between Largs, Beith and Braehead. The service has also been cut back from Braehead to Paisley.

Following the Stagecoach acquisition of Rapsons in May, Stagecoach has proposed service changes involving more but slower services from Inverness to Caithness. Following local representations, two faster services per day to and from Caithness have been retained though times are slower than on the previous Rapsons service.

BAA Edinburgh is considering a shuttle serve from the airport to link with through buses on the A8/M8 corridor. The aim is to improve airport access from the west.

## ROADS & PARKING

The 3.5mile £30m A68 Dalkeith Bypass opened in September.

Formal opening of the Clackmannanshire Bridge at Kincardine was held on 19 November.

FETA is seeking extra funding to cover maintenance costs after the abolition of tolls at Queensferry.

UK prices for petrol have fallen from around 110p per litre in September to around 90p by late November.

The new PFI hospital at Larbert will not have parking charges and pressure is rising for the removal of parking charges at other PFI Scottish hospitals.

At other hospitals the Scottish Government has asked for plans to be submitted by December of how to minimise problems arising from the abolition of charging.

Green activists have hit out at plans to increase parking spaces in the redeveloped Edinburgh St James Centre from 534 to 1800.

Edinburgh Council has dropped plans for parking restrictions in the Morningside area. City income from parking and fines is up from £16.6m in 03-04 to £20.4m in 07-08.

For the third year, Edinburgh is to allow free evening and Saturday parking over the Christmas period.

Glasgow Council has dropped plans to introduce residential parking permits in west end and south side areas. Only 3 of 36 local areas consulted supported parking controls.

To cut response times, the Scottish Ambulance Service is introducing motorbike medics to overcome congestion delays in Aberdeen, Glasgow, Paisley, Edinburgh and parts of Lanarkshire and Fife.

In Edinburgh, only 3 of 14 air quality management zones are on track to meet EU air quality targets by 2010.

MSP Jackie Baillie's Disabled Parking Bill is likely to become law – it gives power to fine those who abuse disabled parking bays.

Continuous speed cameras on the A77 have cut fatalities by 46% - annual deaths are down from 13 to 7.

Consultation is taking place on A77 grade separation at Bogend Toll. Meantime, a 50mph speed limit applies.

## WALKING & CYCLING

A daytime chain ferry at Cramond is being studied to give direct access to the coastal walkway to Queensferry. The former rowboat ferry was withdrawn in 2000.

Cycling groups seek a doubling of central funding for cycling to £20m a year, financed by modest cuts in major road projects.

In Edinburgh, SPOKES is seeking redesign of the cycle route from Meadows/Bruntsfield to the city centre. The group wants much improved cycle provision on Lothian Rd as part of this route. Lothian Rd is already well used by cyclists but has a high accident rate.

SESTRAN counters show that cycling use on off-road paths in Edinburgh doubled from 39,718 in the last 3 months of 2007 to 75,489 in the first 3 months of 2008. SPOKES has proposed that the number of count points to be increased to give a better indication of trends across the city.

As part of the Airdrie-Bathgate rail project, the cycleway on the former rail formation is being relocated.

Sustrans has published plans for completion of the National Cycle Route from Oban to Ballachulish.

## PLANNING & PROPERTY

The revised Draft National Planning Framework is due to be published in December in advance of consideration by the Scottish Parliament early in 2009.

Edinburgh Waterfront housing and related transport developments are now running six years behind schedule with most building suspended. This could also end early hopes of a tram extension from Haymarket to Granton.

Progress is still expected on plans for a major extension of the Buchanan Galleries shopping complex in central Glasgow, including a 2250 space car park above Buchanan Bus Station

Plans have been submitted for total redevelopment of the St James Centre in Edinburgh with a mix of retail, leisure and housing. Retail space will be doubled. Subject to planning permission, completion will be in 2016.

Rangers FC has submitted plans for major retail and hotel developments at Ibrox. This replaces previous plans for a casino development.



# Congestion Experiences in Scotland – SHS results

Julie-Ann Goodlet-Rowley, Scottish Government

## 1. Introduction

In 2007, the Scottish Household Survey (SHS) found that the number of households without access to a car had dropped to 30 per cent, the lowest since the survey began in 1999. It also found that multiple car households were also increasing. The percentage of people travelling to work by car also increased in 2007 to 69 per cent.

In addition, data from the road network in 2007 estimated car traffic at around 44,426 million vehicle kilometres, an increase of 15 per cent since 1997. Car traffic represented 78 per cent of all road traffic in 2006. Taking into account these rises in car ownership and traffic then it is not unsurprising that congestion is also showing signs of increasing. However, it must be noted that the measure of congestion in the SHS is perceptual; it is wholly dependent on the individual, rather than any objective measure of conditions on Scottish roads.

*men and women both have similar perceptions of congestion*

## 2. Congestion in the SHS Travel Diary

Almost 13 per cent of driver journeys were delayed due to congestion in 2006. The degree of congestion was dependent on the locality of the respondent, the length of their journey, and the time and day of the week of the journey. The proportion of journeys delayed by congestion decreased as journey length increased.

The 2006 SHS Travel Diary found that 12.8 per cent of all car driver journeys were perceived to have been delayed due to congestion (irrespective of the length of delay). This was an increase on the previous year, where 11.5 per cent of journeys were perceived to have been delayed.

Respondents who lived in urban areas were more likely to experience congestion than respondents who lived in non-urban areas. However, there was no significant difference between town and rural areas.

Unsurprisingly, journeys made during the weekend were less likely to experience congestion than journeys made during the week, especially during the morning and evening rush hour peaks (7am-9:59am and 4pm-6:59pm; Figure 1).

Short journeys were less likely to experience congestion than longer journeys (6 per cent for journeys under 21 mins and 28-31 per cent for journeys over 30 mins,

in 2005/06). As expected a similar trend was seen with distance, i.e. shorter distance journeys experienced fewer delays than longer journeys.

There was no significant difference between the genders, suggesting that men and women both have similar perceptions of congestion.

Figure 1: Congestion and time of day, 2005/06

\*sample size = 22,362 (weekday) and 5,358 (weekend)

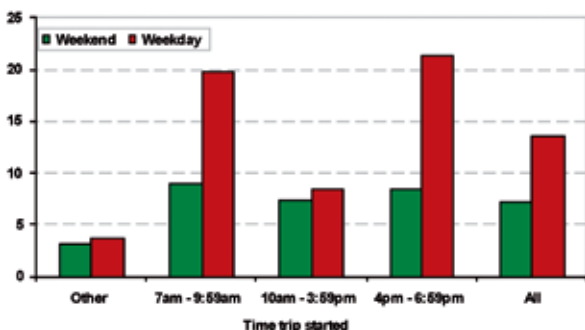


Figure 2: Proportion of driver delay by duration

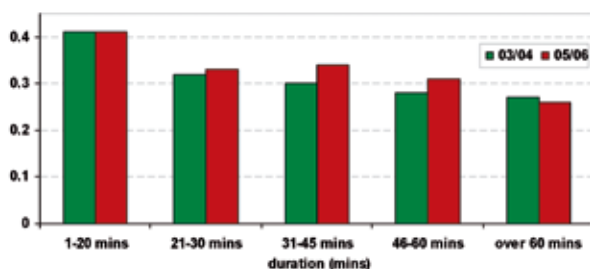


Figure 3: How often experiences congestion as a driver, 2007

\*sample size = 1,695 (urban), 482 (town) and 918 (rural)

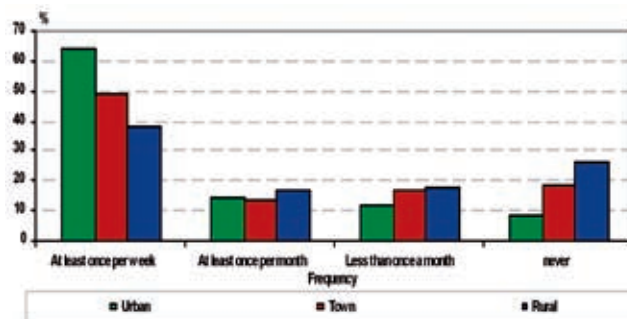


Table 1: Impacts of congestion on Scotland (all respondents), 2007

problem	% agreed	problem	% agreed
Journeys take longer	50	Roads less safe / more accidents	27
Pollution / adds to climate change	33	Emergency services delayed	18
Road rage / people get angry, irritable	30	Journeys unreliable / can't plan journeys	17
Cars use more fuel	28	Higher business costs	7

\*Sample size= 6,101



The length of the delay experienced (*cong length*) and the total length of the journey time can be used to calculate the *proportion* of the journey delayed due to congestion:

$$\text{Proportional delay} = \frac{\text{cong length}}{\text{total length journey}}$$

The proportional delay decreased as journey length increased, i.e. shorter journeys (<21 mins) had a larger percentage of delay than longer journeys (Figure 2). Although there is a difference between 2003/04 and 2005/06, the change is not significant. There was a similar trend with distance due to the strong correlation between distance and duration.

Although urban areas reported a slightly higher proportion of delay than non-urban areas the difference was not statistically significant.

### 3. Impacts of congestion

The majority of drivers had experienced congestion in the past week. Respondents in urban areas were much more likely to have experienced congestion in the past week than respondents in non-urban areas. Seventy-six per cent of respondents built in some additional time into their journeys to work or education.

The main SHS survey asks respondents how often they experienced congestion (a questions newly added in 2007). Interestingly, 56 per cent of drivers had experienced congestion in the past week, compared to 52 per cent of all respondents (including drivers). Driver is defined as a respondent who normally drives for the majority of their journeys and was added in 2007.

The frequency of congestion experience was dependent on whether or not a respondent lived in an urban area or not. Respondents in urban areas were much more likely to have experienced congestion in the past week than respondents in town and rural areas (Figure 3).

The impacts of congestion on the individual were also investigated. Longer journey times (63 per cent), unreliable journey times (14 per cent) and stress (16 per cent) were all associated with personal impacts of congestion by respondents in 2007.<sup>1</sup>

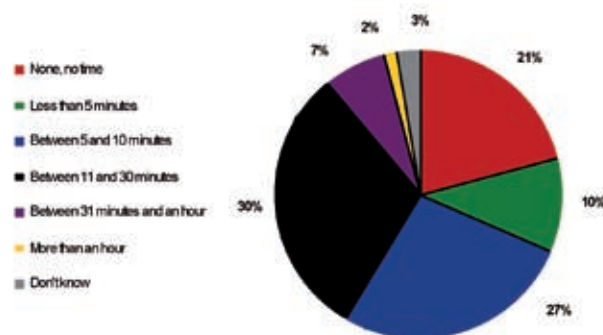
In 2007, a question was added to the SHS to determine how much *added* time respondents were building into their journeys to work and education. Interestingly, 76 per cent of drivers built extra time into their journey in 2007 and 68 per cent built in between 5 and 30 minutes (Figure 4). However, the statistics presented on added time must be taken with caution as they are based on a small sample size of 632 respondents.

The SHS does not just focus on the personal congestion impacts but on what respondents feel are the wider Scottish impacts of congestion.

Increased journey times were the largest perceived impact on Scottish roads, similar to the perceived impact on personal journeys (Table 1). Drivers reported that congestion had a larger impact on journey times and fuel usage than respondents who used another mode of transport as their main mode (58 per cent and 35 per cent, respectively).

Figure 4: How much extra time is added to work/education journeys by car/van drivers?

\*sample size = 632



### 4. Looking to the future

This short note has shown some of the impacts of congestion on Scottish roads. With the continuing increase in road traffic and car ownership in the past decade we are unlikely to see a decrease in congestion without changing the travel patterns of the Scottish public. More Park & Ride facilities, and quality bus and rail networks will help to decrease the volume of traffic on Scottish roads.

Sites such as Traffic Scotland and Transport Direct, give details of current problem areas and links to public transport alternatives, which can reduce the impact of congestion on journeys.

Organisations can implement travel plans, which are tailored to their specific needs and the needs of their staff and visitors. Common and effective measures implemented by Travel Plans are the promotion of active travel, especially cycling, public transport and car sharing schemes.

Reducing the Scottish dependence on the car will reduce the impacts of congestion and help the UK to reach its goal of reducing carbon emissions by 80 per cent by 2050.

### 5. Background information

- For more information on the Scottish Household Survey: <http://www.scotland.gov.uk/Topics/Statistics/16002> or contact the survey manager on 0131 244 0824.
- For up-to-date information regarding transport related topics in Scotland: <http://www.scotland.gov.uk/Topics/Statistics/Browse/Transport-Travel>
- For more information on sustainable transport: <http://www.scotland.gov.uk/Topics/Transport/sustainable-transport>
- Information on choosing alternative modes of transport: <http://www.chooseanotherway.com/>
- Transport Direct: <http://www.transportdirect.info/web2/>
- Traffic Scotland : <http://www.trafficscotland.org/>
- Road traffic statistics: <http://www.scotland.gov.uk/Publications/2007/12/14120610/69>
- For general transport related queries: [transtat@scotland.gsi.gov.uk](mailto:transtat@scotland.gsi.gov.uk)

<sup>1</sup> This is a multiple response question and drivers can answer yes or no to all options

## 2007 Scottish Household Survey Update

### A quarter of all households in 2007 had access to two or more cars, continuing the steady rise since 1999.

- 70 per cent had access to one or more cars, a rise from 63 percent in 1999.
- 68 per cent had a full driving licence in 2007, compared to 63 percent in 1999.
- 61 per cent drove at least once a week, with 45 per cent driving on a daily basis.

### Eighty five per cent of respondents lived within 6 minutes walk of a bus stop.

- Almost a quarter of all respondents had used the bus at least twice a week, over six times higher than those using the train.
- Respondents in large urban areas were the most likely to have frequently used the bus in the past month.

### Twelve per cent of respondents travelled to work on foot, a fall from 14 percent in 2006

- Respondents who drove frequently were less like to have made any walking journeys over ¼ mile in the previous seven days.

### The majority of journeys to school (53 per cent) were made on foot, a trend that has remained broadly stable since 1999.

- Rail and buses accounted for 22 per cent of school journeys with 22 per cent also by car.

### Car use increased in higher income households whilst bus use decreased

- 72 per cent of respondents in the highest income households (£40,000+) drove every day compared to 22 per cent in the lowest (£10,000 and below).
- Households with multiple car access were the least likely (3 per cent) to

take the bus to work than those with no car access (43 per cent).

### Bicycle access was related to household income.

- 69 per cent of respondents in the highest income households (£40,000+) had access to a bicycle compared to 16 per cent in the lowest (£10,000 and below).
- Younger respondents were more likely to have made a cycling trip in the last 7 days than older respondents.

### Public transport access was dependent on urban/rural classification.

- Respondents in rural areas were less likely to say that public transport was convenient to access compared to non-rural areas – 87 per cent in large urban areas compared to 53 per cent in remote rural areas.
- Respondents with a driving licence were more likely to state that services (e.g. post office, doctors etc) were convenient compared to non-licence owners.



## Research Update

### Completed Projects

A study for Brake shows that 56% of children are scared when travelling by car because of fast and risky driving.

An AA survey shows that half of motorists would not tell police of drivers only a little over the drink limit.

The Institute of Advanced Motorists has outlined a 10-point plan for young drivers.

Leonard Cheshire Disability have found that 41% of disabled Scots have missed out on jobs due to inaccessible public transport vehicles and 'negative attitudes' from staff and fellow passengers.

Transport Minister Geoff Hoon has announced a £100m 5-year plan for low-carbon vehicles with Glasgow one of the cities chosen for a green van demonstration project.

A report to government by Arup and CENEX for Scottish and Southern Electricity has concluded that the UK could have significant use of electric cars without any need for large numbers of new power stations.

### Granny's Cabs

Research for Sheilas' Wheels car insurance company has shown that UK grandparents are spending large amounts of time ferrying their grandchildren around.

If they started the meter running they would pocket taxi fares worth an average of £3,160 a year. A proportion of grandparents clearly feel resentful about taking on the traditional 'parent' role and one in five admit to thinking that their children take advantage by getting them to ferry their grandchildren around.

### Logistics Managers Perspectives on the Reliability of Road Transport by Prof Alan McKinnon at Heriot-Watt University

This research concludes that the problems for logistics managers of road unreliability are less than commonly thought. Delays were worse in some sectors – such as newspapers – with high demand for delivery at morning peaks.

Managers are adapting to congestion without having to make significant investment. Most congestion was regular and predictable. Only 26% of road freight trips were delayed, and the research indicated that only one third of these delays related to traffic congestion.

## Strategic Transport Projects Review

STR has received many comments on the recently announced STPR. The debate surrounding the review is set to continue for some time. So is the STPR “a step towards Scotland’s economic future” or is it “all just vanity.” Getting transport improvements actually delivered requires a broad consensus to be built. One of the main purposes of the transport planning process is to ensure that the published plans can command wide support. Has the STPR helped or hindered this?

If, as Stewart Stevenson claims, this is the first nationwide, multi-modal, evidence based appraisal of Scotland’s current transport system, then has this experiment with a new approach to planning worked? Does it provide a framework within which all of the stakeholders in Scottish transport can deliver?

If the transport planning approaches in the STPR have not yet succeeded in balancing all of the factors then the reasons for this need to be better understood:

1. Was the transport planning process sufficiently robust and transparent?
2. Did everybody with a stake in the outcome feel that their view was considered?
3. Are fringe groups being allowed to dominate the debate?
4. Do the conclusions reflect mainstream public opinion?

STR would welcome short articles from readers on what worked best and what can be learned from the process. Are the plans desirable, deliverable and affordable?

To help stimulate the debate some of the quotes from the press include:

A9, A96, A82 and A90 upgrading – “how much extra money will be available to spend on these routes”, “better value could be achieved from traffic calming, speed cameras, and driver training”.

The replacement Forth Crossing – “exceptional value at less than £2bn”, “the worst of all options”, “a make an mend do solution that benefits nobody”, “a flagship project for the 21<sup>st</sup> century”, “only incompetent procurement could clock up a £2bn bill”. “this is not climate change, the economy or connectivity - it is just vanity.”



*has this new approach  
to planning worked?*

Electrification of rail network - “long overdue”, “particularly pleasing” and central belt rail enhancements – “very welcome”, “disappointed with the lack of commitment to Glasgow Crossrail”.

Why was there so little debate about the critical freight improvements? What are the concerns and challenges in delivering the integrated ticketing scheme? Has the STPR been about “keeping bureaucrats and consultants employed for more than two years” or will it provide foundations for your organisation to deliver. Share your thoughts on what the STPR will do for your organisation by sending contributions of any length to [editor@stsg.org](mailto:editor@stsg.org)



## Customer Service in Transport

*Dugald Cameron, OBE, DSC, Transport Customer, and Formerly of Glasgow College of Art – Summarises his presentation to the November 2008 STSG seminar on Customer Service in Transport where he challenged public and private sector transport organisations to improve the way they deal with customers*

Customer service functions are often used as “box ticking” exercises by top management. However, by patronising paying customers, paying only lip service to their concerns, management in fact ends up deceiving only themselves.

Complaints from individual members of the public to these “fronts” are too frequently passed off and not up. So the replies are despatched without real consideration by those who know and need to know about the actual product being provided, which of course leads to the legendary ill-informed and sometimes patently ridiculous responses being provided. When eventually the typical only barely relevant reply is eventually received – often not even properly signed – it is all too clear to the customer that the complaint was not understood, if it has been intelligently read at all.

The incompetence of the organisation at that level is thus added to the original sin in the customer’s eyes, and the offence is compounded. Too often those manning the dismal call centres set up to front a business are ill-equipped to do so, in general and in particular, and end up by being a liability to that business.

Nevertheless, one might ask, why do so many organisations choose to make things worse in this way, regulators or no? Surely organisations will naturally pursue and seek to retain customers? Economic theory and a thousand marketing books tell us that is how they will or should behave in order to survive.

The purpose of private companies is to generate as much money for their directors, senior management and shareholders as possible. That is what they are created to do. Issues of public interest only matter when they serve the above and then, usually, only at the margin. Likewise, customer service is engaged only in furtherance of that necessity. It might also be argued, that public organisations serve their employees interests before the public interest. These problems are growing with the ethos of public service delivery declining.

The malign virus of “managerialism” as opposed to real practical “management” is a root cause of many current business / institutional problems. It is founded on the concept that it is quite possible, even desirable, to attempt to manage something without any relevant experience or knowledge of that which is being managed. The concept seems to propound that there is a set of skills which can be deployed effectively though they owe nothing to actual knowledge and experience of the matters in hand. Process dominates rather than Product for it is in the former that managerialists can hide their lack of knowledge and experience.

One feature of the managerialist culture is that the absence of competence increases the use of external management consultants along with an increasing faith in a regulatory regime, which in turn is all too often shown

to be ineffective when real issues arise. Financial services spring readily to mind! Another is the dumbing- down of our institutions.

Managerialism, with all its targets, strategies, policies etc , serves to undermine and destroy that which really matters in an organisation – the staff morale, passion, commitment and enthusiasm for a business, which are the characteristics from which real customer service arises. And of course, meeting targets comes at a price, for the Law of Unintended Consequences is alive and well.

The annual “Award” ceremonies where the various executives of the various companies give each other various awards would have some real credibility if the customer were involved in their selection. The customer does not feature in any of this. The general bonhomie and backslapping is thus not disturbed by reality!

*Confidence arises out of knowledge and experience*

### What to do?

- Re-introduce the concept of personal responsibility, with real managers addressing and answering their real customers and seeing it as an important aspect of their jobs.
- Question the need for 'customer service' as a separate function.
- Ensure that those who meet the public are suited so to do and given the necessary support and training to do so effectively and not merely attempt to defend the often indefensible.
- Ensure replies to complaints (and compliments) are not be standard formulae, and tell the truth however unpalatable;
- Require the 'big boss' to sign every response to the public – in real ink, with his or her own pen .

Maybe the customer should come last. If a business runs its affairs well with regard to both external suppliers and its own people, then the end product – that which the customer actually experiences – will do what the customer expects and thinks he or she has paid for. There would be no need for senior managers to set up a cordon sanitaire around them: feedback will be direct and uncontaminated. Confidence arises out of knowledge and experience.

