

Report to Partnership Meeting 26 April 2019

RESEARCH AND STRATEGY DELIVERY

Midnight Train to Georgemas

Purpose of Report

To update members on the proposal to operate an overnight service between Caithness and Central Scotland.

Rolling Stock Technical Report

HITRANS has received a draft report from SNC-Lavalin on Rolling Stock Feasibility. The commission asked to consultants to focus on:

- Reviewing the availability of the rolling stock options, including existing, refurbished and new coaches;
- Considering the overhauls the coaches would require to make them fit for purpose;
- Considering the standards the fleet would have to comply with, as well as any derogations that would need to be applied for;
- Reviewing the maintenance arrangements of the fleet, including depot access, cleaning and stabling;
- Options for potential operators of the service.

We have asked for Systra to re-validate the timings against the 2019 Working Timetable to ensure we have robust information.

A number of potential operators have expressed interest in running the service, which still has the options of:

1. via Aberdeen
2. via Aviemore
3. fixed rake
4. Inverness portion.

When the report is completed it will complement Systra's Feasibility Study and Reference's Sleepereconomics report.

Systra's summary concluded:

1. The operation of a Sleeper service could serve over 30,000 trips per annum, as well as having the potential to start to develop a parcels by rail service
2. The operation of an Inverness portion is fundamental to the operation of the

- service, with a subsidy requirement becoming unacceptably high without one
3. In the best case scenario, it is estimated that the service would generate revenues of up to £2.54m but would require a subsidy of around £3.14m per annum, around 55% of costs
 4. Whilst this is higher than the overall subsidy rate for the Caledonian Sleeper, it is likely to be similar to the subsidy requirements for the Highland portions of the current Sleeper services.

Reference's Sleepernomics Report found the following benefits for Scotland:

1. Additional Visitor Spend: Employment (FTE) 29-37
2. Additional Visitor Spend: GVA £623-802k
3. Operation of Train Services: Employment (FTE) 81
4. Operation of Train Services: GVA £4.294m

It concluded that the new rail service has the potential to help deliver Scotland's Economic Strategy. First, through raising productivity-one of the Strategy's four key economic activity indicators-by allowing business passengers to spend more time working productively. Second, through contributing to achievement of three of the Strategy's four priorities: Investment, Internationalisation, Inclusive Growth.

The Systra report estimates the sleeper service's cost to Government (i.e. annual subsidy) at £3.14 million. If the generated traffic (i.e. completely new trips) forecast in this report was achieved then the additional revenue to the operator would lead to a lower subsidy. That could be c£2.5 million, a reduction of around £0.6 million. There could a further slight reduction in subsidy if some freight was attracted to the service.

Next steps

When the Rolling Stock Report is finalised we will present the findings to Transport Scotland.

RISK REGISTER

RTS Delivery

Impact – In RTS

Policy

Impact – Will require government support

Financial

Impact – Feasibility work in HITRANS budget

Equality

Impact – Accessibility

Recommendations

1. Members and Advisors are asked to note the report.

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