

Response ID ANON-SBSD-HS58-M

Submitted to **Transport Scotland's Rail Infrastructure Strategy from 2019**

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About You

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:

Rail Freight Group

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Yes

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?

Yes

Please explain your answer and provide any relevant evidence.:

The vision and approach will help the Scottish Government to achieve its purpose of increasing sustainable and inclusive economic growth, provided that:

(a) Any devolution of train timetabling etc to Scotland takes account of the reality that much of rail freight's core strength and indeed its recent growth in non-bulk markets involves cross-Border Anglo-Scottish corridors – the East Coast and West Coast Main Lines – where the creation of artificial boundaries on the rail network could threaten rail's competitive capability versus road haulage and short-sea shipping. This requires Transport Scotland to respect the role of the National System Operator, and the Freight and National Passenger Route functions at Network Rail in the operation of Scotland's railways.

(b) A cross-modal approach is taken to securing best-value investment on specific corridors, as opposed to the road and rail 'silos' which are the current reality. Key examples are the Perth-Inverness and Aberdeen-Inverness corridors, where a high-level political decision was taken to dual both roads without this being subject to proper business case analysis or appraisal of what the best mix of selective road and rail investment might be for the desired policy outcomes.

It appears to be suggested that the infrastructure strategy relates only to the existing network, but this is an artificial distinction, which does not apply to road investment. It also limits the vision of what rail could contribute to economic and environmental policy objectives. A classic case is the Levenmouth branch line – which is actually part of the current network, albeit 'mothballed' beyond the Earlseat coal loading site – where the development of a rail freight terminal adjacent to Scotland's largest grain distillery at Cameron Bridge would also open up rail potential at Diageo's nearby bottling plant. These in turn could be transformative in allowing rail to secure a significant share of the market for movement of bulk spirit from the North of Scotland to Central Scotland – 100% of which currently moves by road haulage, with significant public safety and emissions impacts.

2 How might we make trade-offs and prioritise between different types of investments, while ensuring that our actions are aligned with our vision?

Comments:

Making better use of existing resources is critical. In part this again relates to trade-offs with proposed road investments in order to get the best value-for-money outcome in relation to policy objectives.

With appropriate targeted investment by the Scottish Government in, for example, a dedicated fleet of low-platform container wagons to shuttle between the Central Belt and Aberdeen / Inverness, this could avoid some of the very heavy infrastructure spending which would otherwise be needed to achieve 'loading gauge' clearance which allows competitive parity with road haulage operations over the Scottish trunk road network. The ability to handle tall and wide containers is critical to intermodal rail's ability to build on its longstanding key role – shifting exports from Central Scotland to Deep Sea ports – by spreading this capability to other traffic generating regions of Scotland centred on Aberdeen and Inverness.

The most efficient conventional rail freight operations also depend on running the longest possible trains. Again, the ability of the private-sector rail hauliers to maximise their competitive offers versus road haulage is critically dependent on public sector intervention. Between Central Scotland and Aberdeen, there is very limited availability of overtaking loops (to allow passenger trains to pass) – and hence daily freight 'paths' – for the longest possible trains, so train lengths are artificially limited. This is even more the case on the Highland Main Line from Perth to Inverness, which is two-thirds single-track – as a result of which container trains are constrained to just 20 containers because of crossing loop lengths, despite locomotives being capable of hauling 28 containers. Rail's commercial ability to win traffic from road haulage is thus severely hampered.

Transport Scotland must also recognise that some investments to support freight will need to be cross-border, and any framework must enable such schemes to be appropriately prioritised.

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?

Not Answered

Please explain your answer and provide any relevant evidence.:

We recognise the desire of Transport Scotland for a fully devolved railway responding to local customer needs, and for some freight customers a local focus could be instrumental in unlocking growth. However, and as noted above, long distance trade routes for Scottish exporters also need to be prioritised, and will require a framework which recognises the private sector, and the international nature of rail freight.

We are concerned to ensure that 'fully integrating' railway infrastructure with the franchise does not create an impediment for freight, and the governance arrangements for freight must be clearly thought through and specifically mandated in any contracts. We understand the aims of the pipeline approach to investment decisions, which appears to give a greater level of assurance around Government funding decisions.

However we are highly concerned over the suggestion that schemes which are funded by and on behalf of a third party would also need to be included in this process, and that Transport Scotland would decide when supply chain resources could be allocated. This would mean that a rail freight customer who is looking for a new connection, which they are funding, would be restricted in when that work could be done, in a process which is not designed to reflect the commercial timescales of their project. This will make third party investment for freight more difficult and could result in schemes being lost. We would suggest that urgent clarification is required over the process for third party funded and implemented schemes which do not require Scottish Government funding.

4 What are your views on the retention or removal of ring-fenced funds?

Comments:

The ring-fenced Strategic Freight Fund has provided a valuable focus for targeted investment in freight-specific infrastructure enhancements, to complement route investment benefitting both freight and passengers and the Freight Facilities Grant scheme supporting terminal development.

The planned ring-fenced Rail Freight Innovation Fund can make an important contribution to enabling commercial rail freight services to become established on routes and for commodity sectors where the absence of such pump-priming would make it difficult or impossible for rail to contribute much more widely to meeting economic and environmental policy objectives.

There may be merit in developing a ring-fenced freight and passenger fund for Scotland's very distinctive long-distance single-track rural network (North Highlands, West Highlands and Girvan-Stranraer) where supply and demand characteristics can be very different from the trunk network. Building business cases for enhancement can be difficult when double-track / inter-city routes are competing for funds, yet innovative and targeted funding could play a key role in meeting wider policy objectives of the Scottish Government, including rural economic development and the easing of the maintenance burden on minor roads unsuited to heavy lorries.

Cases in point where a more holistic approach could put rural rail enhancement in a different light are the timber sector in general, and the very specific example of the Fort William aluminium smelter, where the new owner plans to diversify the range of aluminium products manufactured on site. The smelter has its own rail sidings, receiving the alumina raw material by train, and the finished product formerly moved by rail, but infrastructure constraints along the single-track West Highland Line – weight restrictions on bridges, and short crossing loops – led to the traffic being lost to road some years ago. The anticipated product growth provides an opportunity to re-examine rail potential, with industry and government working in partnership to reduce transport costs and keep heavy traffic off the unsuitable A82.

To be fully successful, a ring-fenced rural network fund would need to be complemented by a focused rail management structure. This might then even lead to the development of new technology such as the Freight Multiple Unit / 'TruckTrain' with similar operating characteristics to passenger diesel units, and therefore the ability to operate 'short and frequent' freight trains which can more easily share single-track route capacity with passenger services. This could open up a wide range of new markets to rail, with applications across Britain and beyond.

5 What alternative sources of funding could be used to help deliver the rail investment programme?

Comments:

There may be merit in examining the role of rail funding linked to economic regeneration benefits. Various schemes have, over time, operated in England and have funded several rail freight terminal developments on the basis of economic benefits – a possible complement to the environmental benefits on which Freight Facilities Grant awards are contingent.

The earlier point about a cross-modal approach to transport investment also applies here – there will be corridors or sections of corridors where rail elements would provide a better policy outcome than proposed road investments which are planned without any reference to parallel rail capability.

Scottish Government investment in rail route enhancements will allow more freight to switch from road to rail, thereby reducing the very substantial damage inflicted on trunk road surfaces by heavy lorries – and in consequence providing a direct saving in road maintenance costs borne by the government. This contribution should be incorporated in the cost-benefit appraisal of individual rail freight related projects.

It should also be noted that the private sector has made very substantial investment in the rail freight sector over the last 20 year – in terms of modern locomotives, wagons and terminals. This it can continue to do, provided that there are clear programmes for route infrastructure enhancement by the public sector, to enable railway equipment to be utilised efficiently and effectively to meet customer needs.

6 Do you agree with our approach to emissions reductions and climate change adaptation? What else should be considered?

No

Comments:

The consultation document attaches insufficient weight to rail freight's potential contribution to climate change targets. When the Scottish Parliament unanimously backed the Climate Change Act in 2009, much was made of this being the most ambitious climate change legislation anywhere in the world. In the intervening years, good progress on emissions has been made in a number of sectors – but the glaring exception has been transport. As noted by the sustainable transport alliance, Transform Scotland, 'there remains no systematic programme of action to make cuts in transport emissions on the necessary scale, with emission levels remaining as high as they were 25 years ago.'

The Scottish Government can play a key role in facilitating a much greater rail contribution to meeting climate change targets, through the creation of a more level playing field for rail to compete in terms of price and service with road haulage. A good example is the Highland Main Line where more (and lengthened) crossing loops / double track would allow rail hauliers to drastically increase train productivity – including lengthening trains by up to 40% - and thereby to attract freight off the A9. A further benefit of more efficient rail freight operations is that this will create more robust long-term economics for rail, reducing pressure on grant aid budgets such as the Mode Shift Revenue Support scheme.

A further strategic role – protecting long-term options for rail – lies in government's unique ability to safeguard land sites which lie beside rail routes, but outwith the Network Rail-owned corridor. Network Rail is currently reviewing and updating its list of protected Strategic Freight Sites, but this has to be complemented by a parallel approach 'beyond the railway fence' which identifies key sites (including potential short rail corridors to major mining / manufacturing / processing locations). Current Scottish Government planning guidance in this area is extremely weak.

7 Do you agree with the proposed approach to specifying performance outputs?

Not Answered

Please explain your answer and provide any relevant evidence.:

We agree that there should be a balanced framework of output measures which include performance, journey time and capacity. For freight operators, improving the efficiency of services is critical, which includes minimising dwell time (in loops etc), improving end to end attained velocity to improve asset utilisation and critically enabling longer freight trains to operate. By using longer trains, more goods can be moved in less network capacity, and so this should be a priority area.

Freight customers are concerned to ensure the reliability of their services, which is generally good, and there must be no degradation to freight performance, particularly if timetabling is devolved.

8 How should performance be balanced against the wider priorities for reduced journey times and the full utilisation of existing and new capacity?

Comments:

See Question 7.

9 Do you have a view on our approach to safety? How can the closure of level crossings be better supported?

Comments:

It is important that rail safety should not be treated in isolation from the wider transport market. Rail freight achieves levels of safety (for both the public and railway staff) vastly better than road haulage, but this comes at a price. Rail should not be penalised in cost terms for its much superior safety performance, and mechanisms should therefore be developed to ensure that due cognisance of this lack of level playing field is taken in choices between rail and road investment. The more freight is switched to rail, the safer our roads will become – and that in turn will create financial savings for the NHS in Scotland.

10 Do you support our approach to innovation and new technologies?

Yes

Please explain your answer and provide any relevant evidence.:

As Transport Scotland's new rail freight strategy, Delivering the Goods, acknowledges, innovation is key to expanding the rail freight market. As noted earlier, the planned ring-fenced Rail Freight Innovation Fund can make an important contribution to enabling commercial rail freight services to become established on routes and for commodity sectors where the absence of such pump-priming would make it difficult or impossible for rail to contribute much more widely to meeting economic and environmental policy objectives.

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?

Comments:

As noted earlier, a ring-fenced rural network fund could be used to incentivise and encourage the emergence of a 'short line' freight operator or operators – based on the North American model – developing peripheral rail freight services which feed into the main rail haulier networks. With local market knowledge and contacts, and utilising less costly medium-powered locos of 1960s vintage, an agile operator could open up prospects which bigger rail hauliers – with centralised management and greater overheads – might struggle to secure.

The Scottish Government should also encourage Network Rail in the uptake of technology and systems to improve its operational performance, including timetabling, asset knowledge and OMR.

Evaluation

Please help us improve our consultations by answering the questions below. (Responses to the evaluation will not be published.)

Matrix 1 - How satisfied were you with this consultation?:

Slightly satisfied

Please enter comments here.:

Matrix 1 - How would you rate your satisfaction with using this platform (Citizen Space) to respond to this consultation?:

Slightly dissatisfied

Please enter comments here.: