Local Government and Transport Committee

12th Meeting, 2006

Tuesday 25 April 2006

The Committee will meet at 2 pm in Committee Room 1.

1. **Subordinate legislation**: The Committee will consider the following negative instruments—

   - the Local Government Pension Scheme (Scotland) Amendment Regulations 2006, (SSI 2006/123);
   - the Non-Domestic Rates (Levying) (Scotland) Regulations 2006, (SSI 2006/124);
   - the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Amendment Order 2006, (SSI 2006/125);
   - the Gambling Act 2005 (Licensing Authority Policy Statement) (Scotland) Regulations 2006, (SSI 2006/154);
   - the Erskine Bridge (Temporary Suspension of Tolls) Order 2006, (SSI 2006/157); and
   - the Non-Domestic Rates (Levying) (Scotland) (No.2) Regulations 2006, (SSI 2006/158).

2. **Freight transport inquiry**: The Committee will take evidence from—

   **Panel 1**

   - Iain Coucher, Deputy Chief Executive, Network Rail
   - Ron McAuley, Director of Network Rail, Scotland
   - Barbara Barnes, Head of Customer Services, Network Rail

   **Panel 2**

   - Jim Barton, Director, Trunk Roads Network Management, Transport Scotland

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Agenda item 1

Covering note on the Local Government Pension Scheme (Scotland) Amendment Regulations 2006, (SSI 2006/123)  
LGT/S2/06/12/1

Copy of the instrument  
LGT/S2/06/12/2

Covering note on the the Non-Domestic Rates (Levying) (Scotland) Regulations 2006, (SSI 2006/124)  
LGT/S2/06/12/3

Copy of the instrument  
LGT/S2/06/12/4

Covering note on the Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Amendment Order 2006, (SSI 2006/125)  
LGT/S2/06/12/5

Copy of the instrument  
LGT/S2/06/12/6

LGT/S2/06/12/7

Copy of the instrument  
LGT/S2/06/12/8

Covering note on the Erskine Bridge (Temporary Suspension of Tolls) Order 2006, (SSI 2006/157)  
LGT/S2/06/12/9

Copy of the instrument  
LGT/S2/06/12/10

Covering note on the Non-Domestic Rates (Levying) (Scotland) (No.2) Regulations 2006, (SSI 2006/158)  
LGT/S2/06/12/11

Copy of the instrument  
LGT/S2/06/12/12

Agenda item 2

Submission from Network Rail  
LGT/S2/06/12/13
SSI Cover Note For Committee Meeting

SSI title and number: The Local Government Pension Scheme (Scotland) Amendment Regulations 2006, (SSI 2006/123)

Type of Instrument: Negative

Meeting: 25 April 2006

Date circulated to members: 15 March 2006

SSI drawn to Parliament’s attention by Sub Leg Committee: No

Purpose: The purpose of this instrument is to change the Local Government Pension Scheme (Scotland) Regulations 1998 (the principal Regulations) to insert Transport Partnerships into Schedule 2 (Scheme Employers) to the Local Government Pension Scheme (Scotland) Regulations 1998, as amended (the principal Regulations).
SSI Cover Note For Committee Meeting

SSI title and number: The Non-Domestic Rates (Levying) (Scotland) Regulations 2006, (SSI 2006/124)

Type of Instrument: Negative

Meeting: 25 April 2006

Date circulated to members: 15 March 2006

SSI drawn to Parliament’s attention by Sub Leg Committee: Yes (see annex)

Purpose: The purpose of this instrument is to make provision for the small business rate relief scheme and transitional arrangements for 2006-2007.
Annex

The Non-Domestic Rates (Levying) (Scotland) Regulations 2006, (SSI 2006/124)

1. The Committee asked the Executive to explain why it chose not to cite the 2005 instrument by the title given in that instrument where it provides that it is to be cited as an Order and not Regulations.

2. The Executive, in its response printed in Appendix 9, accepted the mismatch between the citation of the 2005 instrument and the title of the 2005 instrument and intends to revoke these regulations and make and lay a fresh set of regulations as soon as possible.

3. The Committee draws the attention of the lead Committee and the Parliament to this instrument on the grounds of defective drafting acknowledged by the Executive.

The Non-Domestic Rates (Levying) (Scotland) Regulations 2006, (SSI 2006/124)

On 14th March 2006 the Committee asked the Executive –

“To explain why it has chosen not to cite the 2005 instrument by the title given in that instrument where it provides that it is to be cited as an Order and not Regulations.”

The Scottish Executive responds as follows:

1. The Executive accepts that there is a mismatch between the citation of the 2005 instrument and the title of the 2005 instrument. The Executive intends to make and lay a fresh set of regulations which will contain the correct reference and revoke these Regulations as soon as possible.
SSI Cover Note For Committee Meeting

SSI title and number: The Non-Domestic Rating (Rural Areas and Rateable Value Limits) (Scotland) Amendment Order 2006, (SSI 2006/125)

Type of Instrument: Negative

Meeting: 25 April 2006

Date circulated to members: 15 March 2006

SSI drawn to Parliament’s attention by Sub Leg Committee: No

Purpose: The purpose of this instrument is to add or remove certain localities from being designated as rural areas within local authorities.
SSI Cover Note For Committee Meeting


Type of Instrument: Negative

Meeting: 25 April 2006

Date circulated to members: 17 March 2006

SSI drawn to Parliament’s attention by Sub Leg Committee: Yes (see annex)

Purpose: The purpose of this instrument is to set out requirements as to the form and publication of a licensing policy statement or a revision to a licensing policy statement by Scottish Licensing Boards.
Annex


1. The Committee asked the Executive to confirm that the provisions to which this instrument relates (and the enabling power) will be brought into force on or before the coming into force of the instrument.

2. The Executive, in its response printed in Appendix 10, has confirmed that this is the case. The Committee considers that it would have been helpful to have included this information in the Executive Note.

3. The Committee draws the attention of the lead Committee and the Parliament to this instrument on the grounds that further information was requested from and supplied by the Executive.


On 21 March the Committee asked the Executive for an explanation of the following matter:

“The Committee asks the Executive to confirm that the provisions to which this instrument relates (and the enabling power) will be brought into force on or before the coming into force of the instrument.”

The Scottish Executive responds as follows:

1. SSI 2006/154 is made under powers in section 349 of the Gambling Act 2005. No other provision in that Act is thought to be of direct relevance to the instrument. The instrument comes into force on 23 April 2006. Section 349 of the 2005 Act comes into force on 31 March 2006 in terms of article 2 of the Gambling Act 2005 (Commencement No.3) Order 2006 (SI 2006/631). SI 2006/631 was made on 5 March 2006.
### SSI Cover Note For Committee Meeting

**SSI title and number:** The Erskine Bridge (Temporary Suspension of Tolls) Order 2006, (SSI 2006/157)

**Type of Instrument:** Negative

**Meeting:** 25 April 2006

**Date circulated to members:** 24 March 2006

**SSI drawn to Parliament’s attention by Sub Leg Committee:** No

**Purpose:** The purpose of this instrument is to suspend the collection of tolls on Erskine Bridge from 1\textsuperscript{st} April 2006 until 2400 hours on 1\textsuperscript{st} July 2006.
SSI Cover Note For Committee Meeting

SSI title and number: The Non-Domestic Rates (Levying) (Scotland) (No. 2) Regulations 2006, (SSI 2006/158)

Type of Instrument: Negative

Meeting: 25 April 2006

Date circulated to members: 24 March 2006

SSI drawn to Parliament’s attention by Sub Leg Committee: No

Purpose: The purpose of this instrument is to make provision for the small business rate relief scheme and transitional arrangements for 2006-07.
LOCAL GOVERNMENT AND TRANSPORT COMMITTEE INQUIRY ON FREIGHT TRANSPORT

Network Rail Submission:

1. Background:

Network Rail’s responsibilities are to provide freight operators with a robust and reliable network with sufficient paths to meet their reasonable requirements in accordance with our licence conditions and the needs of their customers.

Responsibilities:
- Operations, Maintenance and Renewals
- Industry performance
- Route Utilisation Strategies, including for freight.

Priorities:
- Safety
- Efficiency
- Improving performance
- Facilitating infrastructure enhancements

The Network in Scotland:
- 2729 Route km
- 634 Route km electrified (almost entirely in SPT area)
- 345 Stations
- 114 Freight/Terminals Yards
- 4 passenger service providers and 4 freight service providers
- Supporting over 2000 passenger services and 360 freight paths per day
- Moving 70 million passengers and 10 million tonnes of freight per annum
- 6.25 million tonnes of this is coal – a large proportion of this is for power stations in England

2. Route Utilisation Strategies – Efficient use and development of the network:

Network Rail is leading a programme of Route Utilisation Strategies (RUS) on behalf of the rail industry. The RUS programme will recommend changes to achieve the most efficient use of the network, given the expected demands upon it, and identify opportunities for developments where gaps are identified. The RUSs will:
- Collate and set out existing network capacity, service provision and usage for both passenger and freight services
- Trace recent demand change and forecast future change
- Consider current operating performance
- Consider Engineering Access requirements
- Identify present and future problems and opportunities for change
- Evaluate opportunities for change
- Put forward for formal consultation those changes that offer the most value for money (and are affordable).

Two closely aligned RUSs will address Freight Issues in Scotland: The GB Freight RUS and The Scotland RUS.

- The Freight RUS will produce an agreed ten year forecast of freight demand and the routings preferred by our customers. It will examine the capacity implications of the additional traffic and any associated implications for the capability of the network. It will examine amongst other things
the implications of the growth of freight flows that cross from Scotland to England. This is particularly important for Anglo-Scottish coal flows.

• The Scotland RUS will consider the requirements for capacity for freight in parallel with the capacity requirements implied by changing levels of passenger demand. The Freight RUS will input closely into the Scotland RUS.

• In spring 2006 we will issue The Scotland RUS for consultation. The consultation Freight RUS will be issued in Autumn 2006.

• There will also be an ECML (see glossary) RUS which we are about to begin consulting on. We have also inherited the West Coast strategy and once complete in 2008 we intend to develop a West Coast RUS.

• The RUSs will present appraised options for meeting the expected demands on the network taking account of the Scottish Planning Assessment and are expected to be a key input into the development of the Scottish Executive’s High Level Output Specification (HLOS) of what it may wish Network Rail to provide following its next Periodic Review. The options may include options for infrastructure enhancement if they emerge from the appraisal work as being value for money.

• In parallel with the RUS programme, Network Rail is currently discussing how it records physical characteristics of the network (‘capability’) and how it communicates changes to capability with its stakeholders (including the Office of Rail Regulation, The Scottish Executive and our Freight customers). The workstream includes consideration of a few sections of the network where published capability differs from the actual capability, with the goal of ensuring that the two become aligned.

3. Freight Customers/Freight Operating Companies:

EWS – the largest of the freight operators, has around 85% (by volume) of the rail freight market in Scotland. Main products are: coal, parcels, petroleum, containerised goods, consumables and timber. EWS also run infrastructure services for Network Rail National Logistics Units. EWS’ main yards are at Mossend (Central belt), Falkland (Ayrshire) and Millerhill (East). They also have facilities at Aberdeen, Elgin, Montrose, Inverness, Perth, Thornton and Fort William. Freightliner Intermodal - operate container services to/from Coatbridge Freightliner Terminal. 90% of the intermodal volume is either Just-in-Time for imports, or time specific for ships departing (ship catchers). Freightliner’s Coatbridge facility currently operates four trains in each direction per day running to Crewe Basford Hall, Tilbury and Felixstowe. Freightliner Heavy Haul - current markets in Scotland are coal and cement. They have increased their market share of coal transportation and currently have services from Hunterston, New Cumnock, Killoch and Ravenstruther. They also run the Lafarge cement traffic from Dunbar to Uddingston, Inverness, Aberdeen, Seaham and Carlisle. Direct Rail Services - core contract is the transport of spent nuclear fuel between Torness/Hunterston to Sellafield. DRS is expanding its Scottish operation and working in partnership with W H Malcolm Ltd providing container services from Daventry - Grangemouth - Mossend and from Grangemouth - Aberdeen - Elderslie including supermarket traffic. GB Railfreight - currently run the Royal Mail traffic from Willesden to Shieldmuir. They have also recently won a contract for mud oil between Aberdeen and Parkeston.

4. Traffic:

• Rail freight’s market share is growing year on year and is expected to grow as the Working Time Directive takes effect on the economics of longer distance lorry journeys.
• Circa 85% of rail freight lifted within Scotland is coal and other bulk commodities. Coal is used to provide about a third of the UK’s electricity with generation predominately taking place in England.
• Rail freight is a small, but growing section of the logistics industry. Market share has increased by 3% in the 10 years since privatisation (from 8.5% to 11.5%).
The fastest growing market sector on rail is containers from deepsea ports to inland destinations which require infrastructure that can accommodate 9'6" high boxes on flat wagons. In railway terminology that needs W10 (see glossary) gauge capability which is restricted to the WCML (see glossary) in Scotland.

5. Key Routes:

- Of the 3 cross border routes, the WCML is the only route which has the capacity for W10 traffic.
- The ECML is W9 and G&SW (see glossary), with its large number of overbridges, is even more restrictive at W8 which means that the options for diverting services in times of disruption are limited.
- The G&SW route is a crucial route for Anglo Scottish coal traffic. The faster Class 4, Intermodal traffic remains on the W10 WCML. This does however mean that should the West Coast Main Line be closed for any reason there is no diversionary route for the high gauge container traffic.
- Weight is also a constraining factor in that not all of the routes in Scotland are capable of taking the heavier RA 10 trains (see glossary). The RA of a specific route is restricted by both structure and track capability. Most current passenger-only routes are less than RA5 and those routes which historically only saw a sprinter train service but now see limited mixed traffic are RA5. Scotland has several significant structures, such as the Forth and Tay Bridges and Burnton Viaduct (on the Freight only Chalmerston branch) which restrict routes to RA 8 capability.

Busiest sections of the Network in Scotland based on last year's Route Plans which can cause freight problems are:

| Haymarket | Haymarket to Inverkeithing |
| Shields to Paisley | Holytown to Midcalder |
| Newton to Rutherglen | Greenhill to Grangemouth |
| Haymarket to Polmont | Larbert to Perth |

These are all sections of the network where additional trains would be difficult to path. There are also a considerable number of single line branches and sections with limited signalling where it would be difficult to find paths for additional trains even though the number of trains operating on the network is much lower. These include Aberdeen to Inverness, Larbert to Stirling and a number of sections with limited signals. It is important to balance the needs of passenger and freight growth within the capacity constraints of the network, (see section 2).

6. Network Issues:

Operational Issues:

- Freight Terminals - excluding the privately owned Terminals, the majority of Terminals especially in Aberdeenshire, Far North and West Highland line are controlled by Freight Operating Companies; other FOCs are able to use these terminals under open access conditions in agreement with the controlling FOC. Although, a number of terminals have good road access there are many with poor road access, which can cause difficulties with transhipment.
- Time of Operation - Coal Planning restrictions mean that the majority of coal loading sites are restricted to loading between 07:00 and 19:00 from Monday to Friday and 07:00 to 13:00 on Saturday.
- A growing area of the Intermodal market is Supermarket goods which are reliant on a fast, efficient and reliable service. This service usually departs from the Supermarket distribution centres at night with an early morning arrival time for distribution onto the Supermarket shelves. Generally, Network Rail maintains the network during the night. This growing market is therefore reliant on a reduction in maintenance time, which, as tonnage on the network increases, presents a challenge for the Rail Industry.

General Capability and Capacity Issues:

- Length Capability – constraints on certain sections of the railway network. Certain routes are constrained by lengths of loops so longer running trains which improve resource and capacity utilisation may impact adversely on network performance.
- Weight Capability – there are certain routes where gradient precludes heavy weight traffic.
- Route Capacity - freight traffic is constrained on certain routes which are operating at capacity. Pinchpoints within Scotland include routes with long block sections (such as the G&SW) and on single lines (such as the line between Barrhead and Kilmarnock).
• Route Gauge Clearance – the Intermodal market needs a railway capable of clearance for 9 ft 6 containers. Many parts of the network are currently constrained by insufficient clearance of overbridges.

Anglo Scottish Coal:
• With the current emissions directives, Power Stations which do not have emissions controls fitted require to burn low sulphur coal. This necessitates the use of imported coal or Scottish mined coal which is low in sulphur (either used on its own or blended with the higher sulphur English coal).
• Network Rail is working with our customers to ensure that coal is moved by the most economical route in terms of journey time and resources utilised.
• In the short term, further capacity on the G&SW is being provided by opening the route 24 hrs Monday to Saturday with maintenance of the network being constrained to weekend nights. Longer term, various infrastructure enhancement projects are being researched to ascertain whether there is a cost effective business case to provide further capacity through creation of additional infrastructure.
• Benefits from directing coal traffic to the G&SW are likely to include improvements in performance and capacity available on both the WCML and ECML.

Passenger and Freight:
• Freight and passenger traffic both require access to the same rail network. Both require a robust and reliable Network and consistency of delivery. However, whilst the Passenger TOCs require the same product on a daily basis, freight customers have a more varied day to day demand for use of the network and require Network Rail to react quickly to new business or to situations when Customers’ requirements change (e.g. require more product or less due to plant breakdowns; or new commercial opportunities arise at short notice).
• Growth in railfreight has to be attained whilst ensuring there is no adverse performance impact from the new traffic on the existing Network users. Network Rail works closely with our customers to ensure that any performance risk is identified and mitigation plans implemented.
• On routes where our Freight customers are the main user and passenger services are heavily utilised there may be future opportunities to increase capacity through revision of the timetable for these routes.

7. Freight Facilities:

• There are currently 30 freight terminals in Scotland owned or leased by Freight Operating Companies and a further 84 privately owned terminals directly connected to the railway network (only 44% of these privately owned terminals currently see traffic).
• Network Rail also own terminals throughout Scotland however the majority of these facilities are not immediately suitable for commercial freight traffic. Issues include restrictive internal facilities, operational restrictions or lack of road access.

8. Key Developments Under Consideration:

• G&SW - Network Rail is currently investigating various enhancement options to improve capacity predominately for Anglo Scottish coal including track and signalling works.
• Stirling/Alloa/Kincardine - Re-opening of approx 13miles of closed railway between Stirling and Kincardine, providing a new passenger service between Stirling and Alloa and allowing freight services (mainly coal to Longannet power station) to use the new route to by-pass the Forth Bridge.
• Hunterston deep-water container terminal - Hunterston deepwater port has one of the deepest sea entrance channels in Northern Europe. It is capable of accommodating the largest vessels. Apart from continuing in its existing role as a bulk terminal there is a proposal for a £200m international deep-water container terminal at Hunterston.
• Mossend / Aberdeen / Elgin Freight Gauge enhancement
• Aberdeen Raith’s Farm
• Earl’s Seat Coal Terminal Connection
• Inverness J G Russell Intermodal Terminal
• Tillyflats – Grangemouth Freight Terminal Connection
• Auchinleck – Powharnal Re-opening for Scottish Coal
• Barrhill Timber Terminal
GLOSSARY

GAUGE: The Load Gauge is the profile for a particular rail route within which all vehicles or loads must remain to ensure that sufficient clearance is available at all structures. This is expressed as a series of increasing gauges between W6 (minimum gauge in GB) and W10 which permits Euro standard boxes (9 ft 6 in height) on conventional wagons (1m high).

ROUTE AVAILABILITY (RA): the system which determines which types of locomotive and rolling stock can travel over any particular route. The main criteria for establishing RA usually concerns the strength of underline bridges and embankments in relation to axle loads and speed. A locomotive of RA8 is not permitted on a route of RA6 for example. (Freight route map provided to Committee on CD-Rom)

WCML: The West Coast main Line connecting Glasgow and Edinburgh with London via the North West of England the West Midlands

G &SW: The Glasgow and South Western route connecting Glasgow and Ayr to Carlisle via Kilmarnock and Dumfries

ECML: The East Coast main Line connecting Edinburgh to London via Newcastle and York