

Rail Infrastructure Strategy  
Rail Directorate  
Transport Scotland  
7<sup>th</sup> Floor  
Buchanan House  
58 Port Dundas Street  
Glasgow  
G40HF  
Rail.Infrastructure.Strategy@transport.gov.scot

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## **Reform Scotland response to the Rail Infrastructure Strategy Consultation**

Reform Scotland is delighted to be able to respond to the Scottish Government's Rail Infrastructure Consultation. Our response is based upon our report, [Track to the Future](#), which was published in November 2016 and can be downloaded from our website.

### **Devolution**

Although not specifically touched on in the consultation questions, the issue of Network Rail is addressed in the introduction. Reform Scotland agrees with the Scottish Government that the Scottish Route within Network Rail should be devolved. It is inconsistent that while the Scottish Government is responsible for strategic policy and funding of the rail network in Scotland, the body that is charged with carrying out that management is ultimately answerable to the UK Government. The Shaw Report from March 2016, which examined the future shape of Network Rail, highlighted that the conditions under which Network Rail was created led to a highly centralised organisation. The report comments that there is a lack of local flexibility and autonomy. As a result, the report recommends that there should be greater route devolution, with separate route-based accounts and regulatory settlements. (Network Rail is currently split into eight regional 'routes', one of which is Scotland.) While the recommendation may have been aimed more at the other routes due to the existing degree of separation of the Scottish route, Reform Scotland believes the arguments still apply. There is a problem with centralised control ultimately answerable to Westminster. It would make more sense for the Scottish route to be devolved and made ultimately answerable to a Scottish Government minister, as opposed to the UK Secretary of State, working with the UK body where appropriate. Indeed, the very fact that there will be reform to Network Rail as a result of the Shaw Report offers an opportunity for the UK Government to implement such devolution.

### **Performance outputs**

The consultation raises the issue of performance output and punctuality. It is not our intention to focus on what those targets should be, but rather the way in which they are explained to the public. In October 2016, a petition was handed to the Transport Minister Humza Yousaf calling for Abellio to be stripped of its contract due to concerns over delays and cancellations. However, the company has said that this was in part due to the programme of modernisation.

While there may be ideological arguments over whether the company that runs the ScotRail franchise should be state run or not, there needs to be a greater degree of honesty about the impact any change would have on the train service people experience. If delays are caused

by work being carried out on the track, or damage to the track, or track failures, the responsibility for this lies with Network Rail, which is already state owned. Network Rail's Delay Split figures<sup>1</sup> for the 365 days until 12 November 2016 suggested that 54% of ScotRail delays over three minutes were as a result of faults attributed to Network Rail, while 38% were down to ScotRail itself. As a result, there should be a greater degree of honesty that simply nationalising ScotRail won't suddenly make the trains run on time.

That honesty also needs to extend to the implications of modernisation and the need to explain that upgrading railway lines is far from straightforward. It will always be difficult to try and fix or improve something when you want to use it at the same time, especially when that line may be single track.

### **Utilising capacity**

The consultation considers how the new capacity can be fully utilised. There are two issues Reform Scotland would raise here.

First, Open Access offers the opportunity of increasing routes available to the public without cost to the taxpayer. In England some "open access" operators have grown. Open access rail companies are commercial companies which do not contract with government or receive a subsidy. Instead, they seek an opportunity to operate a service not otherwise on offer and apply to the Office of Rail Regulation for the track access right and to Network Rail for train paths in the timetable, paying an access charge based on the type and number of vehicles they operate. Although they do not cover exactly the same start to finish journey as a franchise, there will be overlaps and, as a result, a degree of competition and choice available to passengers.

In March 2016, the Competition and Markets Authority published the report "Passenger Rail Services: competition policy project". This report followed its 2015 discussion document where it stated "*material increase in on-rail competition would result in benefits for passengers and improve efficiency in the sector.*"

The report concludes that there should be a significantly bigger role for open access operators between cities.

However, it also recognises some of the obstacles to this goal. One of which is that on many parts of the rail network in Great Britain, there is very limited spare capacity available, particularly at peak times. In turn, this may limit the opportunity for new entrants to run services in competition with existing franchised train operating companies. This is likely to be the case in Scotland. We have a relatively small rail network and in some areas, even on major lines, there can be single track sections. So while there are benefits from competition, scope for this may be limited.

However, there is perhaps potential benefit to Scotland in this area for travel between cities in Scotland and England. For example, Renaissance Trains had previously considered applying for open access to run direct trains between Glasgow and Liverpool. While it did not in the end apply due to the financial crash, the potential for creating a new direct route between these cities remains.<sup>2</sup>

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<sup>1</sup> <http://www.networkrail.co.uk/about/performance/#Delay-split>

<sup>2</sup> <http://www.renaissancetrains.com/about-renaissance-trains.html>

Ultimately, decisions about allowing open access operators rest with the ORR, which is a UK body. However, despite the small scale and size of the network within Scotland, there is an opportunity to consider open access and Reform Scotland would call on the Scottish Government to work with the CMA to explore how open access could bring increased benefits through competition to Scotland.

Secondly, if Scotland is to make the best of the capacity and lines it has, it must future proof new projects. It is disappointing that the potential for expanding the Borders Railway is limited by the fact that it is not electrified and largely single track, to the extent that new bridges were built to only accommodate single track.<sup>3</sup> As a result, any expansion or upgrade will be more difficult, and the potential benefit of linking the service up to Carlisle will be harder to realise. Reform Scotland believes that the Scottish Government needs to ensure that all new rail work is future proofed so that, where possible, it is double track and electrified. If, for cost reasons it cannot all be double track at the time of building, space, particularly under bridges etc, should be accommodated so that it can easily be expanded in the future.

### **New projects**

A large part of the consultation looks towards how new infrastructure projects can be managed and funded. Reform Scotland's view is that, in relation to the development of new projects, there is a need to look to the longer term.

Railways have always been a vital part of our infrastructure in this country helping our economy thrive and bringing communities closer together. However, in recent years the focus across the UK as a whole seems to have been not on bringing different areas together, but bringing everywhere closer to London. The High Speed 2 project is about shortening journey times from London to Birmingham, then Leeds and Manchester, and perhaps Scotland. While all roads may have led to Rome, the track seems destined for London. Should this be the priority? While London is undoubtedly an important economic centre, should getting there a little bit faster be the priority for so much infrastructure expenditure?

The Scottish Government has a programme of electrification and improvement for our rail network which can be welcomed, but perhaps lacks the ambition to deliver long-term transformational change. Such is the complicated nature of planning rail projects that a great deal of investment and work is needed simply to meet increasing demand and, if we're lucky, shave some minutes off journey times.

Network Rail's Scotland Route Study sets out certain infrastructure projects that would need to be done over the next thirty years to implement the Scottish Government's current proposals and meet forecast demand. It is an eye-opening read which details the complicated and intricate nature of planning for rail improvements.

While it is necessary to plan for, and ensure we can meet, future demand as well as make incremental improvements in services, Reform Scotland's view is that we also need to think about the bigger picture.

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<sup>3</sup> <http://www.scotsman.com/news/transport/it-s-slow-speed-ahead-for-borders-rail-commuters-1-3754627>

What we need to ask is whether it is enough for our railways to simply do what they are doing now, or can we aspire to something greater?

It is disappointing to realise that under existing proposals, people could be able to travel to London by rail from the Central Belt in about the same time that they could to Inverness. High Speed rail could bring London to Edinburgh in 3 hours or under. Upgrading of the Highland Main Line will see average journey times between Edinburgh and Inverness of three hours.<sup>4</sup> Yet, despite similar proposed journey times, the fact is that Edinburgh to London is roughly 400 miles, yet Edinburgh to Inverness is only about 160 miles. And while there are alternative means of travelling between the Central Belt and London, there is no real alternative to Inverness with road taking roughly 3 hours 20 minutes.

Reform Scotland believes we need to start thinking bigger.

What is clear from rail projects such as the Borders Railway and HS2, is that they can take a great deal of time, planning and investment. So Reform Scotland is calling on the Scottish Government to set up a Scottish Rail Infrastructure Commission, examining the state of our railways and considering projects which could make a transformational change, not just to our railways, but our economy. For example, is a new high speed, or even considerably-faster-than-current speed, line to the Highlands from the Central Belt worth considering? What impact could be achieved by properly opening up an efficient route to the Highlands?

The other benefit of developing a new line is that it doesn't affect the use of current lines.

What about the potential of linking up the North and South networks. What about a direct link between Edinburgh and Dumfries? Or rail links to our airports? Not everything is possible, or necessarily desirable, but if we want to make any ambitious change we need to start thinking now about the sort of connectivity we want over the next 30 years. Surely, this is at least worth investigating.

Reform Scotland is not saying that the Scottish Government should definitely create a new high speed line to the north, or improve links to major towns in the Borders, or introduce other new lines. But we are calling on the Scottish Government to look at these options as part of a wide-ranging commission, to examine what is possible, what the costs would be and what benefits they may bring. And while rail links to London are important, so too are links within Scotland, links which are sadly lacking at present. Such a report should look at links to city regions, local networks and rural and scenic areas. The commission should also consider what impact improving the links could have on regional economies. The working age population of the Highlands Council area is expected to see a 2% decline over the next 25 years. Could improved connectivity to our more rural areas help stop that decline?

The commission should also set out a land register of who owns the land either side of our railway lines – this information is crucial if expansion and upgrading of our existing network is to be carried out efficiently.

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<sup>4</sup> <http://www.transport.gov.scot/project/highland-main-line>

The following is an extract from the introduction to the High Speed North report:

*“It takes longer to get from Liverpool to Hull by train than to travel twice the distance from London to Paris. Manchester and Leeds are less than 40 miles apart and yet on the congested M62 this often takes more than two hours by car.”<sup>5</sup>*

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

Yours sincerely

**Tom Harris**  
**Reform Scotland Advisory Board Member**

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<sup>5</sup> National Infrastructure Commission, High Speed North, March 2016