

13 DECEMBER 2011

CONSULTATIONS**REPORT BY STRATEGY MANAGER**

This report seeks the Partnership's endorsement of responses submitted to earlier consultations on Bus Service Operators Grant and UK Aviation policy; approval of a proposed response to the rail industry's consultation on their Initial Industry Plan for Scotland; and agreement to delegate authority to the Executive Committee to approve responses to the recently launched Rail 2014 consultation on renewal of the ScotRail franchise.

1 RECOMMENDATIONS

1.1 That the Partnership :-

- (i) endorses the response submitted on behalf of the Partnership to the Scottish Government consultation on Extension of Bus Service Operators Grant at Appendix A to the report;
- (ii) endorses the joint Regional Transport Partnerships response to the Department for Transport consultation on Developing a Sustainable Framework for UK Aviation at Appendix B to the report;
- (iii) approves the proposed response to the rail industry's consultation on their Initial Industry Plan for Scotland: Proposals for Control Period 5 and Beyond, as set out in Appendix C; and
- (iv) agrees to delegate authority to the Executive Committee to approve a response to Transport Scotland's Rail 2014 consultation on renewal of the ScotRail franchise.

2 BACKGROUND

- 2.1 At its meeting on 20 September 2011 the Partnership agreed to respond jointly with other Regional Transport partnerships (RTPs) to a Scottish Government consultation on Extension of Bus Service Operators Grant and a Department for Transport (DfT) consultation on Developing a Sustainable Framework for UK Aviation (Report RTP/11/32 refers).
- 2.2 The rail industry has consulted on their Initial Industry Plan for Scotland: Proposals for Control Period 5 and beyond. The consultation material is available for inspection at <http://www.networkrail.co.uk/IIP.aspx>.
- 2.3 Transport Scotland launched a public consultation on the future provision of rail passenger services in Scotland leading to renewal of the ScotRail passenger franchise, which is due for renewal in October 2014 in 15 November 2011. The consultation document is available for inspection at:

<http://www.transportscotland.gov.uk/strategy-and-research/publications-and-consultations/j203179-00.htm>

3 DISCUSSION

Bus Service Operators Grant Consultation

- 3.1 Responses to the consultation on proposed extension of Bus Service Operator's Grant (BSOG) to include certain Demand Responsive Transport (DRT) services required to be submitted by 30 September 2011. At its meeting on 20 September 2011 the Partnership agreed to respond jointly with other RTPs. In doing so the Partnership noted a response which had been prepared by the Director on behalf of the Society of Chief Officers of Transportation in Scotland (SCOTS).
- 3.2 In discussion with other RTPs on the compilation of a joint response, differences of view on matters of detail and the circumstances under which DRT services should be eligible for BSOG emerged. As a consequence the RTPs responded individually and a response was submitted on behalf of the Partnership, in consultation with the Chair. This supported extension of BSOG eligibility to include scheduled DRT services, in line with the Partnership's previously agreed position of support for extension and was similar to the SCOTS response noted on 20 September. The Partnership is asked to endorse the submitted response at Appendix A.

Developing a Sustainable Framework for UK Aviation Consultation

- 3.3 Responses to this DfT consultation also had to be submitted by 30 September 2011 and at its meeting on 20 September 2011 the Partnership agreed to respond jointly with the other RTPs and to delegate authority to the Chair and Director to agree this response.
- 3.4 A joint response which highlighted the importance of the Scottish economy to the UK economy; emphasised the economic importance of maintaining good access to all London Airports, including between Dundee Airport and London City Airport; the crucial role of air in overcoming regional peripherality; and highlighting the different air connectivity needs of regions of Scotland lying beyond the Central Belt, both now and post-High Speed Rail extension to Scotland, was submitted. The response submitted under the signature of the seven RTP Chairs is attached at Appendix B, which the Partnership is asked to endorse.

Initial Industry Plan for Scotland Consultation

- 3.5 The rail industry, comprising the Association of Train Operating Companies, Network Rail, Rail Freight Operators' Association and Railway Industry Association, are seeking views on the Initial Industry Plan (IIP) for Scotland: Proposals for Control Period 5 and Beyond.

- 3.6 The IIP sets out how the industry intends to deliver a more efficient and better value railway and play a role in driving sustainable economic growth. It provides a starting point for discussions with Ministers and the Office of Rail Regulation (ORR) on the priorities for Control Period 5 (2014-2019). It examines the key choices and options facing Scottish Ministers in specifying the future outputs of the railway and the level of funding required. These choices will inform the development of the Minister's High Level Output Specification (HLOS) and Statement of Funds Available (SoFA) to be published next summer as part of the Periodic Review 2013 process as well as the re-letting of the ScotRail franchise in 2014.
- 3.7 The consultation document examines topics of value for money; ScotRail; Anglo Scottish; rail freight in Scotland; network strategies for Scotland; and assessment of investment choices. Most consideration is at a national level though a number of issues are considered at a regional or local scale or have implications for train services in the Tactran region.
- 3.8 Under a review of stations the Plan highlights those stations that were used by less than 1,000 passengers in 2009/10. These include Barry Links, Golf Street and Balmossie, which are served by only two trains per day. It notes that the passenger revenue at these stations is often insufficient to cover the cost of stopping trains in terms of fuel and maintenance, let alone the station maintenance costs and lost revenue from extending journey times for trains calling. Whilst the Plan does not suggest further action regarding these stations there is an implication that closure could be considered at a future date. The Partnership's work on developing local and regional rail services through the Tay Estuary Rail Study (TERS) envisages that currently poorly served and lightly used stations would benefit from the provision of additional stopping services proposed by TERS, therefore any suggestion that existing stations should be under threat of closure would be strongly resisted.
- 3.9 The IIP outlines proposed planned changes in asset policies that will improve the value for money of the railway. These include less spend on major train sheds, buildings and platforms and more spend on canopies. This would have implications for Perth Station where improvements to the train shed covering platforms 3 and 4 would enhance the ambience of the station generally.
- 3.10 In considering ScotRail, the IIP notes that, in general, train services are fixed for the duration of a franchise. It suggests that a mechanism should be developed where new services can be added quickly and cost effectively, but also enable withdrawal or change, should the services not deliver value for money. This should be supported as it would provide potentially the opportunity to more easily introduce TERS proposals and other improvements and establish how successful these would be in attracting passengers. Any such arrangements would only be supported subject to adequate mechanisms being in place for effective consultation with RTPs and Councils.
- 3.11 The Plan proposes a number of options for the reduction in journey times in Scotland, in line with the Strategic Transport Projects Review (STPR). It proposes a step change in frequency and journey times between Perth and Inverness, which is supported subject to journey time improvements being achieved by line speed and other engineering enhancements and not at the expense of existing and potentially additional stopping services at existing stations at Pitlochry, Blair Atholl and Dunkeld and Birnam.

- 3.12 The IIP commits to a continued development of a Strategic Freight Network (SFN). One of the SFN's objectives refers to strategic rail freight interchanges and terminals, stating that "accommodating growth and achieving modal shift depends on the ongoing provision of suitable terminals and interchange facilities". This accords with the development of road/rail freight interchange facilities at the Port of Dundee and potentially elsewhere in the region.
- 3.13 The Plan states that the Edinburgh - Glasgow electrification programme (EGIP) will allow the cascade of the current diesel units to alternative routes as well as enabling a significant number of these vehicles to be withdrawn from service. From a Tactran point of view vehicle withdrawal should only be considered if demands for additional services, including the TERS recommendations or strengthening of services to satisfy peak demands, have been implemented. Refurbishment of units could be considered instead of withdrawal.
- 3.14 The main CP5 fleet planning options include a review of the provision of diesel units for the interurban routes from Edinburgh/Glasgow to Inverness/Aberdeen. It suggests that this may be either by a sub-order for Intercity Express Programme (IEP) vehicles or by cascade of other diesel units released by the IEP in England. Clearly the preference would be to have new units, also ensuring that aspects such as coping with the more extreme winter weather on the Scottish routes such as Highland Main Line (HML) and West Highland Line could be included in the design.
- 3.15 The Plan contains choices for projects that have been identified through the industry's long term planning process including the Route Utilisation Strategies (RUS) and the STPR. The choices include the upgrade of the HML and the Scotland traction power scheme. The HML upgrade would allow an hourly service in each direction between Inverness and Perth with an average journey time of two hours. The traction power scheme facilitates the replacement of rolling stock on the East Coast Main line between Edinburgh and Berwick-upon-Tweed. It is believed that this will include a capability to enable operation north of Edinburgh to/from Inverness and Aberdeen however; the IIP fails to state this.
- 3.16 A proposed response which will be submitted electronically, subject to the Partnership's approval, is included at Appendix C.

Rail 2014 Consultation

- 3.17 Transport Scotland launched a public consultation on the procurement and provision of passenger rail services under the ScotRail franchise on 15 November 2011, with responses to be submitted by 20 February 2012. This initial phase of consultation leading to renewal of the ScotRail franchise in October 2014 includes a series of regional consultation events, which Transport Scotland has requested RTPs to assist in facilitating. The regional event for the Tactran area was held on 1 December 2011 at The Discovery Centre, Dundee and any further information or developments arising from this event will be reported orally.
- 3.18 The consultation seeks views on a wide range of issues and specific questions relating to type and length of franchise; reliability and performance; service specification; fares; stations; cross border services; rolling stock; passenger comfort; Sleeper services and environmental issues.

- 3.19 There has been considerable media, public and political interest in and speculation on the implications of the consultation for future delivery of national rail network and cross-border “InterCity” and sleeper services. It is crucial to ensure that the Scottish Government’s policy and proposals for the delivery of rail services beyond 2014 support the continued economic, environmental and social needs and wellbeing of our region. The current consultation presents a significant opportunity to engage with Scottish Government and Transport Scotland on the rail priorities and proposals set out in the Regional Transport Strategy, including protecting and enhancing existing services; embedding the Partnership’s TERS proposals for regional service and infrastructure enhancements within the next ScotRail franchise; ensuring protection of existing services and making the case for further improvements in the Stirling area within the emerging EGIP service enhancement proposals, etc.
- 3.20 It is proposed that authority is delegated to the Executive Committee to consider and approve responses to this vitally important consultation. It is currently envisaged that RTPs will wish to submit a joint response, in addition to individual RTP responses. The Partnership’s own response would be compiled in close consultation with partner Councils and other regional stakeholders. The Partnership is asked to agree to delegate authority to the Executive Committee to consider and approve consultation responses to be submitted by the Partnership, jointly with other RTPs, Councils and any other organisations.

4 CONSULTATIONS

- 4.1 The various responses addressed in this report have been prepared in consultation with other Regional Transport Partnerships and partner Councils through the relevant Officer Liaison Groups.

5 RESOURCE IMPLICATIONS

- 5.1 There are no resource implications arising directly from this report.

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NOTE

The following background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing the above Report:

Report to Partnership RTP/11/32 Director’s Report, 20 September 2011

EXTENDING LOCAL BUS REGISTRATION AND BUS SERVICE OPERATORS GRANT (BSOG) TO DEMAND RESPONSIVE TRANSPORT (DRT) - CONSULTATION ON DRAFT LEGISLATION

Pro-forma for use when responding on draft guidance:-

Name of respondent	Eric Guthrie
Organisation (if applicable)	Tactran
Interest (eg trade; local authority; passenger interest)	Regional Transport Partnership
Q1. Do you agree with the definition of a flexible service as described in the draft legislation, or do we need to add further details?	The proposed definitions are broadly appropriate. However, it is of concern that Clause 5 (4)(a)(iv) could exclude the extension from applying to DRT schemes that are provided to members of the general public who meet defined eligibility criteria. Many such services operate in this manner to ensure availability of capacity for members of the public who are unable to use “conventional” bus services. There are understood to be a number of such DRT schemes which, whilst able to be Registered and receive National Concessionary Fares scheme revenue, are currently ineligible for BSOG. It is considered that the extension of BSOG eligibility should include all DRT services which qualify to be Registered as flexibly routed Local Bus Services and are eligible to receive reimbursement through the National Concessionary Travel scheme.
Q2. Do you agree that DRT services be allowed to be registered as a local bus?	Yes. See also above comments regarding eligibility of all registered DRT services for BSOG and Concessionary Fares reimbursement. Transport authorities are increasingly introducing flexibly routed DRT services as replacements for, or complements to, fixed-route/timetabled bus services as a means of providing more need responsive and financially sustainable public transport provision. Flexibly operated DRT services are often much better at accommodating, for example, health transport demands and also integrating with other services such as bus, ferry and train connections. DRT services also offer a flexible and often more cost effective means of providing subsidised public transport, particularly in areas, or during times of the day, where demand is insufficient to support or justify more frequent, fixed-route operation. Allowing registration as Local Bus Services with full eligibility for BSOG will maximise

	effectiveness and support the operational and financial sustainability of what, for many passengers, are lifeline services.
Q3. Do you agree with the proposed conditions for registering DRT services?	Yes. Registered DRT services should be generally expected to meet the same standards of operation as other public services, having regard to the flexible nature of operation provided.
Q4. Should DRT services receive BSOG payments?	Yes. As indicated in answer to Q2 above, DRT offers a more flexible and effective way of meeting public transport needs in areas and/or at times of the day when demand is insufficient to sustain fixed-route/timetabled services. The extension of BSOG eligibility to include “fully-flexible registered DRT services”, as indicated in Action 6 of the National Transport Strategy Buses Action Plan, is long overdue and fully supported.
Q5. Do you agree with the proposed conditions for DRT services to receive BSOG payments?	Yes, again subject to the above comments in answer to earlier Questions, regarding availability of BSOG for all registered DRT operations.
Q6. Do you think the passenger will benefit from these proposed changes?	Yes. All passengers who rely on existing and potentially new DRT services which benefit from BSOG, including many services which are “lifeline” in nature, will benefit directly. In addition to supporting the sustainability of existing DRT services, the proposed extension may also stimulate new DRT operation as a more responsive and effective way of meeting local travel needs.
Q7. Are there any general comments about these proposals you would wish to make?	In addition to providing an effective option for addressing travel needs and tackling social exclusion in areas of low or infrequent demand, DRT provides a more flexible option for addressing a wide range of accessibility needs, including access to health; improving accessibility for young people, particularly in rural areas; supporting tourism; integrating with other modes such as coach, rail and ferry; and delivering wider social, economic and environmental benefits. The proposed extension of BSOG eligibility to include all registered DRT services is welcomed and fully supported.

Department for Transport

Developing a sustainable framework for UK aviation: Scoping Document

5. Questions

The aviation sector

5.1 *How does the aviation sector as a whole benefit the UK? Please consider the whole range of aviation activities including, for example, air freight, General Aviation and aerospace.*

The aviation sector performs a vital role in supporting the UK and regional economies, including Scotland. Efficient and effective air connections, both for passengers and high value, time sensitive freight, is essential. Aviation also performs a crucial role in reducing peripherality and tackling social exclusion in the most remote regions of the UK, including the Highlands and Islands of Scotland, through the provision of lifeline services. Key sectors of the Scottish economy, including oil and gas, financial services, media and life sciences and inward tourism rely heavily on effective global connectivity. Scotland is a significant contributor to the UK economy. Parts of the country (Edinburgh & the North East) are in the highest brackets for GVA in the UK.

The geography and history of the UK has resulted in London being the UK's major centre of commerce and central transport hub. This in turn leads to very significant need for travel between parts of the UK (including Scotland) and London. Scotland is a good distance from London and significantly further than other major urban conurbations such as the midlands and north west region of England. This distance results in the need for aviation as the only currently viable means of transport particularly for our businesses.

This need for business connectivity is not restricted to London as journeys by air from parts of Scotland to other UK destinations e.g. Glasgow to Southampton, Aberdeen and Dundee to Birmingham say are not viable business journeys by surface transport.

The importance of UK domestic and global air connectivity is equally crucial in supporting inward tourism – for example nearly 70% of overseas golf tourism visitors to Scotland arrive/depart by plane.

5.3 *Are some sub-sectors of aviation more important than others? If so, which and why?*

Aviation serves to enhance the economy in many ways. However in developing a policy for the future consideration should be given to:

International travel:

Export income relies on the ability of people to reach markets across the globe whilst global air connectivity is a crucial element for the UK and Scottish inward tourism markets.

Extending international travel from regional and peripheral regional airports will be an important tool for reducing carbon emissions and increasing competitiveness.

In many cases though this will have to be via a hub airport, i.e. Heathrow. Heathrow's ability to serve this hub function is essential as is people being able to access Heathrow. This access will be different for different parts of the country.

Reducing peripherality in the UK:

A vitally important function of aviation is in reducing real and relative peripherality. It is commendable that efforts are being made to enhance connectivity within the UK by surface modes, particularly High Speed Rail, thereby creating the potential for reducing emissions from short haul air traffic that can switch to a more sustainable mode. Whilst this is encouraged and supported, subject to the UK Government's acceptance of the need to include direct HSR connections to/from the central belt of Scotland by extending HSR lines to/from Edinburgh and Glasgow, these benefits of HSR will mainly apply in the more heavily populated regions. It should be recognised that more peripheral regions of the UK, including the regions of Scotland north of the Edinburgh – Glasgow axis, will still require effective air access to and connectivity through London and its hub airport after full implementation of the UK HSR network. This need for surety of necessary levels of air access to London will also still apply to central and southern Scotland until the full benefits of HSR are available.

UK aviation policy must support the maintenance and development of air connectivity from Scotland and its peripheral regions, including air access to key regional airports, the London airports and the main UK hub at Heathrow. This should provide for positive Government support and protection for domestic aviation connections and slots where the surface alternative is significantly less attractive.

The outline proposal is:

- There is considerable evidence from Europe and Japan that shows that if comparable long distance rail journey times can be reduced to under 3 hours the great majority of passengers will choose the more environmentally friendly option of the train increasing rail's share of passengers from around 20% to over 80%. Such journey time reductions will result in lesser demand for short haul flights. This is a central plank in the case for High Speed Rail.
- The delivery of the benefits of HSR to Scotland and accompanying reduction in demand for short haul flights will create spare landing slots at London's airports including the hub at Heathrow. The newly created landing slots can be used by the airlines to service the new destinations they want to serve. (It is accepted there will be a lag between securing HSR permissions, introducing this policy at that stage and actual HSR opening – but this could be planned for).
- In return for this creation of slots, as a result of very significant public expenditure, the government will require that landing slots for the more peripheral regions be secured for those regions, at a level which both protects existing regional connectivity and also supports regional economic growth, where this is related to international air connectivity – for example in key business and inward tourism sectors. An agreed mechanism (perhaps based on surface travel time and size of airport or impact of loss of service) would need to be in place to define peripheral regions, which could change as the High Speed Rail network is extended.

- A mechanism could be in place to ensure that if an airline wished to withdraw a service they could but that the slot would be protected for another airline to fill the gap. After a suitable period if a suitable airline wasn't found, meaning the demand for the route wasn't there, the government could release the slot back to the market.
- Government could give consideration to the needs of the regions in relation to landing slots it chose to preserve for each region. This means that not all regions would require slots at the Heathrow hub, but those regions whose economy is dependent on international travel (e.g. Aberdeen), would be given priority access, with other regions of the UK potentially being served through an alternative such as Gatwick. This would limit the impact of the policy on Heathrow and Gatwick to a very small fraction of its overall throughput.

Helicopter travel:

Any policy on UK aviation should recognise the essential role played by helicopter traffic in servicing the offshore industries.

Lifeline services:

The UK has a number of air services to remote locations including the Highlands and Islands. Many of these services are lifeline services and it is essential that future UK policy supports and protects these services.

5.7 Should some aspects of UK aviation be considered to be of strategic national interest (e.g. certain airports, air traffic control)? If so, based on what criteria?

International connectivity is clearly important to the UK economy and should be viewed as a high priority. Encouragement should be given to protecting and increasing international connectivity from regional and peripheral regional airports. National policy should ensure that those regions of the UK whose economies are strongly dependent on international markets and have less viable surface transport alternatives are able to access the national hub.

Reducing peripherality is also of significant strategic national interest. Air travel has an important role to play in re-balancing the UK economy in ensuring that more peripheral regions can continue to flourish by ensuring good access to the major centres.

Lifeline services are self explanatory and as such are of strategic national interest.

Helicopter traffic is also of strategic national interest. This essential mode not only services the offshore installations but also provides many search and rescue and emergency functions that cannot be fulfilled by other modes.

International connectivity and hub airports

5.9 How important are air transport connections – both international and domestic – to the UK at both national and regional levels?

Aberdeen, Edinburgh & Glasgow airports have commissioned economic impact assessments within the last two years. These can be found at:

<http://www.acsef.co.uk/uploads/reports/27/Aberdeen%20Airport%20Economic%20Impact%20Final%20Report.pdf>

<http://www.scotlandsglobalhub.com/media/downloads/edinburgh-airport-economic-impact-2009.pdf>

An electronic copy of the Glasgow report is available on request if required.

The studies highlight the importance of Scotland to the UK economy. The studies highlight particular importance of the links to London, although a greater range and frequency of direct international destinations is also seen as an important factor in supporting continuing economic growth.

Highlight figures from the studies show along with other updated data from CAA:

All figures relate to 2009

	Heathrow	Gatwick	Luton	Stansted	London City
Aberdeen	641,000	136,000	127,000		
Edinburgh	1,306,000	648,000	316,000	374,000	327,000
Glasgow	1,080,000	515,000	325,000	305,000	115,000
Dundee					41,000
Inverness		225,000	87,000		

- The proportion of business travellers from Edinburgh & Glasgow is around 30% whilst from Aberdeen it is 56%
- There is a particularly high proportion of interlining from Aberdeen and Edinburgh at Heathrow of 46- 48% with Glasgow showing similar slightly reduced figures (source: bata website) despite the high share of air to rail passengers from the additional distance travelled compared to Manchester/ Newcastle.

This highlights the importance of Scotland's airports to the business community and hence the impact on the UK economy reflecting the relative distances that Scottish business passengers have to travel. This impact is not only on Scotland's economy but also on London's economy.

It is also clear from these high numbers of passengers and the significant volume of business passengers that air travel to London and the wider world is a very significant contributor to the economic well being of Scotland and hence the UK economy. This traffic is likely to be maintained until at least when HSR reaches Edinburgh & Glasgow, and the Northern half of Scotland will continue to rely on these links in the longer term, beyond HSR development.

The studies note:

Air services provide:

- access to other parts of the organisation, particularly headquarters functions, for inward investors;
- access to markets for indigenous companies and for inward investors seeking to use a region as a base of operations within a world area;
- access to suppliers of goods and services from around the world;

- access to knowledge partners and complementary businesses.

From the Edinburgh EIA and extending to include the whole of Scotland:

“The latest Cambridge Econometrics forecast suggest that Scotland is, as a whole, underperforming and that if it is to improve its prospects for the future it needs to maximise the assets available to it. It is in this context that the future development of Scotland’s airports needs to be considered. Healthy, growing Scottish airports can help redress this growth gap to the rest of the UK through their role as an economic driver.”

In addition to the implications for business connectivity studies relating to inward tourism and destination choice confirm that good domestic and international air connectivity is crucial to maintaining Scotland’s extremely valuable inward tourism economy.

The combined GVA impact of Aberdeen, Edinburgh & Glasgow airports is £468m.

5.10 As long as people and goods can easily reach their desired destination from the UK, does it matter if they use a foreign rather than a UK hub airport?

Yes. The existence of a UK hub airport offers greater choice for both inward and outward travel. For the passenger the main issue is a matter of choice. The choice of carrier and choice of destination served by the hub airport will determine which airport is used. Central to this is the ability of access to the chosen airport. Availability of UK-based interlining carrier offered at Heathrow may also be an influence on passenger choice. A UK-based hub also offers greater potential for distribution of economic benefit from onward tourism travel within the UK, whereas directing visitors to hubs outwith the UK risks diluting this.

Heathrow provides a wide range of choice of carriers and destinations, particularly the USA and former British Commonwealth countries. Many of these countries are involved in the energy industry and therefore the choice of using Heathrow is important in particular to the businesses in the North East of Scotland.

Generally, each of the main Scottish airports provide good access to other hub airports however the passengers are choosing to interline through Heathrow. Heathrow serves more passengers than those choosing to use Amsterdam and Paris combined highlighting the passenger choice for this hub.

5.11 Are direct connections from the UK to some international destinations more important than others? If so, which and why?

Direct connections are vitally important to supporting a range of UK and Scottish business sectors, including the energy and financial industries and tourism.

In seeking to maintain and grow inward tourism it is important to make the journey for the tourist as easy and convenient as possible. The more direct the flight involving the fewest changes of plane or countries transited through the more attractive the proposition. The availability of direct flights from the US and a number of European countries is a major contributor to the success of, for example, golf and heritage tourism. The maintenance of direct connections with the UK’s and Scotland’s principle business and tourism markets is vitally important.

Edinburgh is the second largest financial centre in the UK and seventh largest in Europe so good air links (preferably direct) with other major financial centres in Europe, Americas and the new emerging financially important countries (e.g. BRICS countries) is of great importance and interlining at Heathrow is a major element in this respect.

As the oil and gas industry has expanded across the globe there has been a change in mode of operation, moving from locating workers and their families to the oil and gas field regions to placing workers in the oil and gas field regions for short periods of time whilst they are based in the north east of Scotland. These fields are therefore now tending to be managed and supplied from a central location with the north east of Scotland being one of these locations. This has resulted in and will continue to result in increased travel across the globe. Such frequent travel demands the minimum of inconvenience and time for the traveller. Anticipated growth in the emerging renewable energy sector in Scotland, as envisaged by the National Renewables Investment Programme, is likely to drive similar and new demands for air travel and connectivity in the future.

5.13 What are the benefits of maintaining a hub airport in the UK?

The question isn't so much about the benefits but more about the consequences if the UK didn't have a hub airport. The reasons for having a hub airport, reduced costs, emissions etc by combining passengers from different areas to the one longer haul route are as sensible now as they have always been. It could be argued that as more parts of the globe become developed then the opportunities for British companies increase in more diverse locations then the need for a hub also increases.

If there is a need for a hub then, for a country the size of the UK, with the size of the UK population, the need for a UK hub seems self evident as a matter of national interest to secure UK export opportunities and, as indicated in answer to 5.10 above, also to maximise the distributive potential of inward tourism through the existing London hub.

5.15 What are the relative merits of a hub versus a point-to-point airport? &

5.16 Would it be possible to establish a new 'virtual' hub airport in the UK with better connectivity between existing London and / or major regional airports? Could another UK airport take on a limited hub role? What would be the benefits and other impacts?

There is a place for both point to point travel and a hub airport. Point to point has convenience and time saving opportunities but does require sufficient patronage to be a viable proposition for an operator. Where this sufficiency doesn't exist then the hub airport's ability to group passenger numbers is required. Such grouping can also achieve emissions savings if a single flight is used and particularly where access to the airport for many of the travellers can be via surface modes.

Regional connectivity and regional airports

5.17 *Can regional airports absorb some of the demand pressures from constrained airports in the south-east? What conditions would facilitate this?*

Pressures on the constrained airports in the south east could be reduced by reducing demand from the regional airports. This can be done by increasing the attractiveness of surface transport. Question 5.22 below considers this in more detail.

Regional airports can also take some pressure off the south east airports by providing direct access to international destinations. This is of course dependent on establishing a big enough demand for these services without the need for a hub airport. Proposing the concept of mini hubs where a regional airport (or peripheral regional airport) can supply services for travellers from outwith their own region could assist. The answer to question 5.16 has considered this issue.

To some extent this already happens for Highlands and Island passengers through regional Scottish airports.

5.18 *What more can be done – and by whom – to encourage a switch from domestic air travel to rail? &*

5.19 *How could the benefits from any future high speed rail network be maximised for aviation?*

The Government's proposals for High Speed Rail, connecting the main population centres in the country, are supported in so far as they go. To fully achieve the benefits of transference of passengers to High Speed Rail from air travel then the proposals need to extend to central Scotland. This would have a significant impact on air travel from Edinburgh/ Glasgow to London and significantly improves the BCR for High Speed Rail.

The proposals for a direct HSR link to Heathrow when HSR extends beyond Birmingham are supported as enhancing the likelihood of achieving the maximum transference of passengers. This supports the case for the Government making a clear commitment to the early development of HSR connections to/from Edinburgh and Glasgow as part of a fully integrated policy on national and international connectivity.

5.20 *How can regional airports and the aviation sector as a whole support the rebalancing of the economy across the UK?*

Question 5.9 addressed the importance of air travel to both the UK and the regional economy. In the case of the Scottish economy this previous question looked at the export potential of our economy including the energy and renewable energy sector and the importance of both domestic and international connectivity to maintaining that economy from a region peripheral to London, and its hub airport.

This vision of the Scottish future is one where we can secure sustainable economic growth regionally and positively contribute to a successful UK economy by increasing our export markets (energy, renewable energy, tourism, food & drink, financial services, life sciences, digital media, the service industry incl. education, conferences, know how/consultancies).

Essential to achieving that goal is ensuring that our airports continue to provide, and indeed expand on their provision of national and international connectivity through maintenance of existing routes and schedules and expanding into new routes and schedules whether that be through creating new direct routes or maintaining good frequent access to the national hub.

Recent announcements on new routes between Aberdeen / Baku and Aberdeen / Frankfurt Edinburgh / Florida, Edinburgh / Mexico, Edinburgh/Naples, Edinburgh/Dalaman as well as the extensive airport improvements including runway extension works at Aberdeen and a £100m improvement at Edinburgh by 2015 demonstrate the willingness and endeavour locally to ensure that we do our bit in ensuring that Scotland can meet its economic aspirations. UK Government policy on aviation must permit and support our businesses to have the confidence that their global access from our area will be maintained by future Government policy.

The EIA's discussed in question 5.9 provide fuller detail on the impact that our regional airports can have in ensuring that Scotland can flourish in the future.

Making better use of existing capacity

5.22 Can we extract more capacity out of the UK's existing airport infrastructure? Can we do this in a way which is environmentally acceptable? To what extent might demand management measures help achieve this?

Yes. Increasing the availability and attractiveness of surface access to the hub airport at Heathrow and to London offers the opportunity to increase the number of flights from Heathrow and other London airports by reducing the number of Heathrow slots required for flights to/from regional airports. However this does not apply to all regional airports.

Even with HSR in place some parts of the country will still be peripheral to London and international markets. These peripheral regional airports serving regions which will not benefit from direct HSR connectivity, should be given a priority for landing slots to ensure adequate access to London and, in the interests of supporting peripheral regional economies, maintaining adequate global connectivity through the hub airport at Heathrow.

To encourage the use of surface transport where this is viable a differential Air Passenger Duty should be introduced where a lower or zero tax rate should apply to those flights over a specified maximum surface access time limit. It is suggested that this should apply to all flights where a maximum surface transport limit is exceeded and to services designated as lifeline services. This point was made to HM Treasury during their APD consultation earlier this year.

5.23 How can we support Heathrow's hub status within the constraints of its existing capacity? Can we do this in a way which is environmentally acceptable?

In the short term the Government has agreed to a trial where in times of difficulty BAA in certain circumstances can suspend alternation of runways permitting increased runway capacity to clear a backlog of flights. Should this trial be successful in proving environmentally acceptable then this could be extended for a limited period in the day to increase capacity for a defined time period. This extra capacity could be removed when High Speed Rail extends to the point at which the number of internal UK flights reduces due to transference of passengers to surface transport. This would reduce the pressure on airlines to drop internal flights from the peripheral regional airports for more lucrative bigger planes to other worldwide destinations.

5.24 How important is increased resilience at the UK's major airports to reduce delays? How best could resilience be improved with existing capacity, e.g. how might trade-offs between existing capacity and resilience play a role in this?

Improving resilience and, therefore, reliability in aviation is crucial. Business and other users expect a reliable transport system. Planning for sustainable growth must include making most efficient use of available airport capacity and eliminating cost through delays and other unreliability. It is difficult to understand why capacity should be reduced on the 360 or so days of normal operation per year to allow quicker return to normal operation on the 5 or so days of difficulty per year. The trial of suspension of alternation should ensure that these, albeit extremely inconvenient interruptions to normal operation are resolved as quickly as possible.

Reducing capacity will increase the pressure on the internal UK flights to the regional airports with consequential knock on effects to the economies of these regions. In the case of the more peripheral regions, such as the northern parts of Scotland, these knock on effects could be severe.

5.26 Could existing airport capacity be more efficiently used by changing the slot allocation process, for example, if the European Commission were to alter grandfather rights? If so, what process of slot allocation should replace it? &

5.27 What provision, if any, should be made for regional access into congested airports?

As indicated in answer to earlier questions it is essential that provision is made for regional access into the London airports and hub from those regions of the UK which are most peripheral and are likely to remain so post-HSR implementation. Consideration should be given to a mechanism that would permit these regions (where surface access of less than 3 hours is not available) to have guaranteed landing slots to permit access to London. Where a regions economy is dependent on worldwide connectivity through the hub at Heathrow this priority should include Heathrow.

Climate change impacts

5.39 What scope is there to influence people and industry to make choices aimed at reducing aviation's climate change impacts, e.g. modal shift, alternatives to travel, better information for passengers, fuller planes, airspace management (which can also help reduce local environmental impacts)?

There is significant scope for introducing policy levers and other forms of marketing and fiscal encouragement to reduce aviation's climate change impacts. For example, a differential Air Passenger Duty could be applied to encourage mode shift to surface access where a viable surface mode exists. This could include a significantly reduced or zero tax for those areas where no viable alternative surface mode exists.

Local impacts

5.40 *What do you consider to be the most significant impacts – positive and negative - of aviation for local communities? Can more be done to enhance and / or mitigate those impacts? If so, what and by whom?*

Aviation delivers significantly positive economic and social benefits in terms of business connectivity, inward tourism and overcoming peripherality. This is particularly important for those sectors of the Scottish economy which are dependent on international connectivity for their continued economic wellbeing and growth, and for those remoter regions and communities who rely on lifeline services as key elements of their transport infrastructure. The Scottish economy would be substantially damaged if the business community didn't have the connectivity it needs or the confidence that the connectivity it has will be maintained. The consequences of these scenarios are very significant job losses and loss of major export opportunities and revenue loss to the UK Government. In this circumstance these losses won't simply be to Scotland but to the UK economy as a whole. Similar concerns exist in relation to loss of air connectivity and the implications of this for tourism.

5.42 *Do you think that current arrangements for ensuring sustainable surface access to and from airports, e.g. Airport Transport Forums and airport surface access strategies, are effective? Could more be done to improve surface access and reduce its environmental impacts? If so, what and by whom?*

There is a case for strengthening the requirement for and role of Airport Transport Forums as a means of enabling wider and more proactive engagement between airport operators, regional and local transport authorities, and other sectors of the community. This could include setting targets for airports and their Transport Forums to work collaboratively to achieve improved surface access etc.

Any other comments

5.49 *If you have comments on any strategic issues not covered in this scoping document, which you consider to be relevant to the development of the aviation policy framework, please include them in your response.*

In the answers given above we have identified the key strategic issues which are vitally important and require to be considered in developing a UK framework for aviation which recognises and protects the economic and social importance of aviation within a Scottish context. We would particularly highlight the differences between the airports and the regions that they serve.

Some airports serve areas of the country that are relatively easily accessible from the capital and the national hub. Others serve areas much more peripheral where air travel is currently or is always going to be an essential option for access to London and the hub. These differences need to be understood and it should be accepted that there is a difference between a regional airport and a peripheral regional airport.

Even within these different categories it should be understood the airports in the regions serve different economies and that each of these economies will have different needs. The Scottish economy is, as has been demonstrated above, significantly dependent on connections to London and the national hub airport with exceptionally high business traffic volumes.

The differences of need for each area will reflect on their point of view. We would argue therefore that a one size fits all policy should be avoided and recognition given to the major impacts that decisions could have on the various regions be built into policy choice making.

Tactran response to Initial Industry Plan for Scotland: Proposals for Control Period 5 and Beyond

I refer to the above consultation. This response is from Tactran, the statutory Regional Transport Partnership covering the Angus, Dundee City, Perth & Kinross and Stirling Council areas. Recognising that the Plan is concerned with national issues, such as achieving value for money across the whole railway system, this response is restricted to topics that have implications for train services in the Tactran area. The relevant page numbers are included to allow for ease of reference for the Partnership's views.

Pages 32-33 Stations

It is not clear what this section is proposing or recommending. The apparent focus on lightly used stations raises concerns about the rail industry's commitment to the future maintenance and potential development of such facilities. Tactran is opposed to any suggested closure of any of the stations listed within the region. The low level of usage reflects the limited service provided at these stations.

The Partnership has developed proposals to improve regional rail services and facilities through its comprehensive Tay Estuary Rail Study (TERS). This sets out short, medium and longer term proposals for introducing additional stopping services between Arbroath and Glasgow, which would supplement and complement faster and more frequent ScotRail Express network services between Aberdeen/Inverness and the Central Belt, as proposed in the STPR. Implementation of the TERS proposals would provide an opportunity to develop the role and potential of existing lightly used stations, which should be retained for possible future development, including potential implementation of the TERS proposals, which will significantly increase rail patronage at Broughty Ferry, Monifieth and Carnoustie on the same line as Barry Links, Golf Street and Balmossie. It is considered also that the rail industry currently fails to take the full opportunities offered by these and other stations. For example, the 2014 Commonwealth Games outdoor shooting events are taking place at Barry Buddon, which is immediately adjacent to Barry Links Station, yet rail passengers accessing the event will be required to travel to Carnoustie or Dundee and use a connecting bus service.

Page 49 Asset management policy changes

Tactran appreciates the need to spend effectively however it needs to be recognised expenditure on major train sheds is still needed. Improvements to the train shed covering platforms 3 and 4 Perth Station would greatly enhance the physical fabric and ambience of the station generally.

Page 65 Train service specification

Tactran supports the principle of introducing a mechanism where new services can be added quickly and cost effectively, but also enables withdrawal or change, should the services not deliver value for money. This would provide the opportunity to introduce our TERS improvements and establish how successful these would be in attracting passengers. Any such arrangement must, however, include provision for effective consultation with Regional Transport Partnerships and their partner Councils.

Page 69 Growth

It is noted that following completion of EGIP it is intended to complete the half hourly service provision between Glasgow Queen Street and Perth. Tactran supports this action but also wishes to see the TERS proposals implemented which would extend one of the half hourly services beyond Perth to and from Arbroath. This could be facilitated using the cascade of diesel rolling stock from the Edinburgh – Falkirk – Glasgow route.

Page 70/71 Journey times

Tactran supports the proposed plan for a step change in frequency and journey times between Perth and Inverness, noting that on page 113 it is intended also to increase the number of freight paths on this line also. Capacity and journey time enhancements should be delivered through linespeed and other engineering enhancements, and not at the expense of removing existing stops and/or excluding potential for future passenger service enhancements at existing stations, including Pitlochry, Blair Athol and Dunkeld and Birnam.

Page 84 What customers and potential customers want

Tactran supports Objective VIII which would enable the development of road/rail freight interchange facilities at the Port of Dundee and potentially elsewhere in the region.

Page 112/113 Rolling stock

It is noted that the requirement for additional rolling stock for the electrification of the Edinburgh – Glasgow – Dunblane and Alloa routes will be met by either new build or cascading of stock from elsewhere in Britain. Tactran believes that to maximise the “sparks effect” of electrification on patronage only new stock should be considered.

The plan states that EGIP will allow the cascade of the current diesel units to alternative routes as well as enabling a significant number of these vehicles to be withdrawn from service. Vehicle withdrawal should only be considered if demands for additional services, including the TERS recommendations or strengthening of services to satisfy peak demands, have been fully explored and implemented. Refurbishment of units should be also considered instead of withdrawal.

Page 113 Main Control Period 5 initiatives

The main CP5 fleet planning options include a review of the provision of diesel units for the interurban routes from Edinburgh/Glasgow to Inverness/Aberdeen. It suggests that this may be either by a sub-order for Intercity Express Programme (IEP) vehicles or by cascade of other diesel units released by the IEP in England. Clearly the preference would be to have new units, also ensuring that aspects such as coping with the more extreme winter weather on the Highland Main Line (HML) and West Highland Line could be included in the design. This would allow for cascade of units within Scotland, which combined with the EGIP-related cascade outlined above, would enable initiatives including TERS to be implemented.

It is noted that the “Scotland traction power scheme” facilitates the replacement of rolling stock on the East Coast Main Line between Edinburgh and Berwick-upon-Tweed. It should make clear that this includes stock that will be able to operate through services beyond Edinburgh to/from Inverness and Aberdeen. Tactran is strongly opposed to any attempt to remove through train services between Inverness/Aberdeen and England, which serve several of the region’s stations and key national rail hubs, including Dundee, Perth and Stirling. These are considered to be critical to regional and national connectivity and in supporting economic growth.

I trust that the above comments are of assistance. If you require any further information, or clarification of any of the above comments, please contact Michael Cairns, Strategy Manager on 01738 475774 or michaelcairns@tactran.gov.uk in the first instance.