

# SCOTTISH MINISTERS' HIGH LEVEL OUTPUT SPECIFICATION

## INTRODUCTION

1. Paragraph 1D (2) of Schedule 4A to the Railways Act 1993, as inserted by paragraph 2 of Schedule 4 to the Railways Act 2005 (the Act), requires Scottish Ministers to provide the Office of Rail Regulation with the information it requires to conduct periodic reviews of Access Charges. This includes:
  - information about what they want to be achieved by Scottish railway activities during the review period; and
  - such information as it is reasonable for them to provide about the public financial resources that are or are likely to become available to be applied during that period for purposes that contribute (directly or indirectly) towards the achievement of what they want.
2. In accordance with para 1C of the Act, ORR issued a notice to Scottish Ministers on 28 February 2007 formally commencing the Periodic Review 2008 process. Ministers are required to provide their rail specification to ORR by 31 July 2007 and paragraphs 16 to 30 of this document fulfil that purpose.
3. This document sets out the requirements of Scottish Ministers with respect to the functions and powers devolved to them under the Railways Act. It is expressed on the basis of incremental changes to Control Period 3 outputs, on the basis that these will have been delivered on or before 31 March 2009. A list of significant enhancements expected to be delivered or be in process of delivery at the end of Control Period 3 is included at paragraph 15.
4. It remains the responsibility of the Secretary of State for Transport to specify requirements for the whole of the GB rail network in respect of safety standards, improvements to accessibility and to support the implementation of European legislation and standards. Any safety, accessibility or European outputs applicable to Scotland's railways will therefore be included in the England and Wales specification being issued by Westminster Ministers and will not be reproduced here. Scottish Ministers do not require any variance to the outputs specified by the Secretary of State.

## POLICY CONTEXT

5. Scottish Ministers have published their National Transport Strategy and Scotland's Railways, which specify the strategic objectives and priorities for the rail network. These build on the specification of train service outputs through the First ScotRail franchise, the Major Projects, and provide the context within which all parties are expected to bring forward proposals to develop the network. Network Rail is expected to contribute to achieving the three strategic outcomes set out therein:
  - i. Improving journey times and connections;
  - ii. Reducing emissions; and
  - iii. Improving quality, accessibility and affordability
6. Scottish Ministers' aspirations for the rail network include:
  - i. The delivery of services that minimise the impact on the environment and ensure that rail is a real alternative to road and air travel for passenger and freight travel and environmentally superior both within Scotland and for cross-border journeys;
  - ii. Partnership working between Network Rail, First ScotRail, Transport Scotland, Regional Transport Partnerships, local authorities and other key stakeholders;
  - iii. The promotion of integrated, innovative and efficient working practices both in respect of current operations and network planning;
  - iv. The promotion of integration between transport modes and the provision of effective, secure interchange facilities;
  - v. A reduction in the time taken to progress projects from feasibility to delivery;
  - vi. Continued improvements to operational and financial performance, including improved resilience.
7. In addition, Scottish Ministers expect that enhancement or renewal activities should assess active or passive provision for potential expansion of freight, as well as passenger services, for example through provision of improved clearances or route availability, subject to value for money and affordability considerations.
8. This Specification is developed assuming background growth of around 3% per annum in passenger kilometres plus additional specific route-based growth generated by new routes and services identified in Scotland's Railways, the Scottish Route Utilisation Strategy and the Freight Route Utilisation Strategy.
9. Tier 1 of this Specification underpins the delivery of all incremental outputs identified in Tiers 2 and 3. It is assumed that Tier 1 will accommodate much of the background growth through increased utilisation of existing services and capacity principally through more effective use of the existing infrastructure.

10. Scottish Ministers expect that ORR will seek to determine whether Tiers 1 and 2 match with respective allocated public funds, but that there will be no full matching required for Tier 3 at this stage where delivery mechanisms and project scope is not clear.
11. The associated operating, maintenance and renewals expenditure associated with Tier 2 and 3 projects is expected to be secured at an efficient price, with no material upward variance in unit costs from those for Tier 1 outputs. Where opportunities exist to co-ordinate the delivery of Tier 2 and Tier 3 outputs with renewal programmes, Scottish Ministers expect that Network Rail will ensure that they are taken forward.
12. Network Rail should ensure that the performance effects of integrating Major Projects into the Scottish Network are optimised to deliver the best outputs in the wider policy context.
13. Any available funding resulting from increased efficiencies in Scotland would be expected to be directed towards the implementation of tier 3 projects.
14. Scottish Ministers expect that, under normal planned circumstances, at least one cross-Border route will be available for the passage of timetabled Sleeper, passenger and freight services with a planned journey time between Glasgow and London, or Edinburgh and London of not greater than that specified in the Service Level Commitments of the InterCity East Coast or West Coast Trains franchise by the Secretary of State for Transport and the SLC of the Sleeper Services franchise by Scottish Ministers.
15. This specification assumes that a number of enhancements are delivered or commenced between now and the end of Control Period 3, as set out below:
  - to facilitate a half-hourly service on the Glasgow-Kilmarnock route;
  - to facilitate the operation of 6-car trains between Glasgow Queen Street and Stirling, specifically platform lengthening at Bishopbriggs;
  - to facilitate the provision of two trains an hour in each direction, with a faster journey time, on the Shotts line;
  - to facilitate additional express services from Edinburgh to Aberdeen;
  - to provide an improved interchange at Gourock;
  - increase capacity on the Glasgow and South Western route;
  - electrify the Burma Road connection.

If these schemes have not been completed for any reason, we would expect their completion to be the earliest priority in Control Period 4.

## **SPECIFICATION**

### **Network outputs – Tier 1**

16. Scottish Ministers will continue to purchase the ScotRail franchise during Control Period 4. The outputs of the network therefore require to be maintained at a base level of capability and capacity, which will enable Network Rail to satisfy the access rights for franchised passenger and open access passenger and freight services in operation on 31 March 2009.
17. The capability and capacity of the existing network as defined above shall be maintained throughout the Control Period but may be varied subject to the use of network change processes.
18. The average asset condition of stations across the network shall be maintained as a minimum of that of 31 March 2009, having achieved the relevant regulatory targets required by that date.
19. Performance of the ScotRail franchise is required to achieve a Public Performance Measure (PPM) with a Moving Annual Average of 92% by the end of Control Period 4. Scottish Ministers also expect that cross-border services will meet the specification of the Secretary of State for Transport with respect to long-distance service performance.
20. Funding for small-scale interventions will be targeted to support growth through measures to improve capacity, capability or performance, for example through signalling enhancements, platform lengthening, or minor changes to track layouts to improve flexibility or to improve line speed. Appropriate consultation will take place to ensure that such measures are aligned to the policy context set out in this specification and support the implementation of Tier 2 and Tier 3 outputs. These interventions would not be expected to exceed £5m individually, or £20m in total over Control Period 4. Larger scale interventions would fall into Tier 3.
21. Scottish Ministers require Network Rail to be capable of developing proposals, such as those required to progress Tier 3 projects to GRIP1 without additional funding being provided on an individual project basis.
22. The Statement of Funds Available for Tier 1 is believed by Ministers to be sufficient to deliver these outputs. Should this funding be higher than that required, it is available either to progress small-scale interventions that are in line with Scottish Ministers strategic and policy objectives, or to deliver outputs from Tier 3.

## Network outputs – Tier 2

23. Tier 2 contains the outputs for which Scottish Ministers have secured legislation and funding. These are associated with Major Projects to be delivered during Control Period 4. The outputs from Tier 2 will generate additional growth beyond background growth through provision of additional network capacity and capability.
24. Scottish Ministers require the following network capability to support the delivery of passenger train services (the service pattern defined is that of a standard weekday):
- i. Glasgow Airport Rail Link: design and implement scope of work, as defined by the Glasgow Airport Rail Link Act 2007, to enable four electric multiple-unit trains per hour, in each direction, with a 15 minute frequency running between Glasgow Airport to Glasgow Central via Paisley Gilmour Street, with a standard weekday journey time of 16 minutes, with an aspiration to achieve 15 minutes;
  - ii. Airdrie-Bathgate: design and build scheme, as defined by the Airdrie-Bathgate Railway and Linked Improvements Act 2007, to enable four electric multiple-unit trains per hour, in each direction, with a 15 minute frequency running between Newbridge Junction and Airdrie, with a standard weekday journey time of 74 minutes from Glasgow Queen Street to Edinburgh Waverley, with an aspiration to achieve less than 70 minutes;
  - iii. Borders Railway: design and implement scope of work, as defined by the Waverley Railway (Scotland) Act 2006, to enable two diesel multiple-unit trains per hour, in each direction, with a 30 minute frequency running between Tweedbank and Newcraighall, with a maximum standard weekday journey time of 60 minutes from Edinburgh Waverley-Tweedbank, with an aspiration to achieve 55 minutes, and connections into the existing network.
25. The currently anticipated opening dates for these projects are as follows:
- |                |                           |
|----------------|---------------------------|
| Quarter 1 2012 | Glasgow Airport Rail Link |
| Quarter 4 2010 | Airdrie-Bathgate          |
| Quarter 4 2011 | Borders Railway           |
26. Network Rail is required to cost these projects for their business plan on the basis of their presently defined role within each project.
27. The Statement of Funds Available for Tier 2 is believed by Ministers to be sufficient to deliver the contribution to these outputs from Ministers. Should the funding for operations, maintenance and renewal activity for these projects be higher than that required, it is available to deliver outputs in Tier 3.

### Network outputs – Tier 3

28. Tier 3 outputs are route-specific and are targeted to ensure both that any residual background growth that is constrained by existing capacity under tier 1 can be accommodated and to generate new demand beyond these levels.
29. Tier 3 represents the further outputs that Scottish Ministers may wish to implement to respond to the requirements of the National Transport Strategy. It is recognised that at the time of delivery of this specification the outputs and delivery mechanisms have not been fully developed. Funding for implementation will be provided by Scottish Ministers subject to affordability and the availability of resource of capital.
30. Scottish Ministers require Network Rail to produce a credible and affordable delivery plan to progress development of projects to deliver these outputs through to implementation or the commencement of implementation during CP4 optimising resource and operational requirements.

(i) Improve the reliability, attractiveness and journey time of the Edinburgh to Glasgow route including connectivity to Edinburgh airport

A package of measures to improve journey times, improve reliability and increase capacity between Edinburgh and Glasgow, including infrastructure improvements to provide an effective interchange between the rail network and Edinburgh airport.

(ii) Electrification

Electrification of the core route between Edinburgh and Glasgow plus 2 diversionary routes. A further programme of infill electrification including Paisley Canal services, Whifflet services, Cumbernauld services, Maryhill services, Stirling/Dunblane and Alloa services, diverting where appropriate to low-level routes to free up capacity in Glasgow high-level stations, followed by a programme of further electrification including East Kilbride and Barrhead/Kilmarnock.

(iii) Ayrshire

Infrastructure enhancements to permit 8 car trains to operate on the Ayrshire routes with capability to stop at all stations.

(iv) Highlands

Infrastructure enhancements required to permit an hourly faster service between Edinburgh and Glasgow and Inverness serving Perth as recommended in the Room for Growth report and incorporated into the Scotland RUS.

(v) General infrastructure and capacity enhancements to improve journey times and service frequencies for either passengers or freight

Infrastructure enhancements required to permit an hourly service between Aberdeen and Inverness.

A package of infrastructure options to improve connections across Glasgow. This may include conversion of some services to Light Rapid Transit, preparing for new heavy rail links, new stations, longer platforms etc.

Infrastructure enhancements required to permit further journey time improvements between the Central Belt and Aberdeen.

Other proposals to achieve improvements in journey times or service frequencies as developed and agreed between now and the end of Control Period 4, taking into account the emerging conclusions of Scottish Ministers' Strategic Transport Project Review.

#### STATEMENT OF PUBLIC FUNDS AVAILABLE

Description	2009/10	2010/11	2011/12	2012/13	2013/14	Total £million
Tier 1	610	631	641	647	652	3181
Tier 2	148	194	35	21	21	419
Total	758	825	676	668	673	3600

*\*Nominal – December 2006 price level*

31. For the avoidance of doubt:

- (i) Scottish Ministers consider this Statement of Public Funds Available is sufficient to fund freight costs in line with the approach set out by the Secretary of State's letter to the Office of Rail Regulation of 30 January 2007.
- (ii) The Statement of Public Funds Available for Tier 2 outputs represents direct funding from Scottish Ministers. Additional third-party funding is also anticipated to support the delivery of Tier 2 outputs.