

STIRLING-ALLOA-KINCARDINE RAILWAY AND LINKED IMPROVEMENTS BILL COMMITTEE

Monday 27 October 2003

Session 2

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STIRLING-ALLOA-KINCARDINE RAILWAY AND LINKED IMPROVEMENTS BILL COMMITTEE

2nd Meeting 2003, Session 2

CONVENER

*Bill Butler (Glasgow Anniesland) (Lab)

DEPUTY CONVENER

*Mr Rob Gibson (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Mr Richard Baker (North East Scotland) (Lab)

*David Mundell (South of Scotland) (Con)

*Nora Radcliffe (Gordon) (LD)

*attended

THE FOLLOWING GAVE EVIDENCE:

David Connolly (MVA)

Alex Deans (Clackmannanshire Council)

Kevin Devlin (ScottishPower Energy Management Ltd)

Aubrey Fawcett (Clackmannanshire Council)

Ron Hunter (ScottishPower Generation Ltd)

Paul Irving (John Kennedy & Co)

James King (Rail Passengers Committee Scotland)

David Littlejohn (Scottish Enterprise)

Kevin McCallum (Network Rail)

Alan Macmillan (Network Rail)

Brian Ringer (Strategic Rail Authority)

Robert Samson (Rail Passengers Committee Scotland)

Mike Smith (Her Majesty's Railway Inspectorate)

Tara Whitworth (Babtie Group Ltd)

CLERK TO THE COMMITTEE

Callum Thomson

SENIOR ASSISTANT CLERK

Fergus Cochrane

LOCATION

Alloa Town Hall

Scottish Parliament

Stirling-Alloa-Kincardine Railway and Linked Improvements Bill Committee

Monday 27 October 2003

[THE CONVENER *opened the meeting at 11:22*]

Stirling-Alloa-Kincardine Railway and Linked Improvements Bill: Preliminary Stage

The Convener (Bill Butler): Good morning, ladies and gentlemen, and welcome to the second meeting of the Stirling-Alloa-Kincardine Railway and Linked Improvements Bill Committee. Although the Stirling-Alloa-Kincardine Railway and Linked Improvements Bill is the third private bill that the Scottish Parliament has considered, it is the first transport and works private bill, so today we are witnessing a little bit of history.

This is also the first time that a committee of the Scottish Parliament has met in Clackmannanshire. On behalf of the committee, I thank the officials of Clackmannanshire Council for their assistance in enabling us to hold the meeting in Alloa town hall. We shall also be meeting here on Monday 3 November and Monday 10 November.

After that, the committee will consider the evidence that has been presented to it and report to the Parliament. The whole Parliament will debate the committee's report and it is hoped that the preliminary stage will be completed before Christmas. If the Parliament approves the general principles of the bill at the end of the preliminary stage, the bill will proceed to the consideration stage and thereafter to the final stage.

All committee members have undertaken a site visit of the railway. I think that I speak on behalf of the whole committee in saying how helpful we found the visit to our understanding of the issues surrounding the project.

Today, the committee will concentrate on two aspects of the bill. First, we shall hear evidence on the scope of the bill. That will inform the committee about what the bill will do. After that evidence-taking session, which might be quite technical in nature, the committee will spend the rest of the day taking evidence on the need for the railway and the associated works. It is hoped that we will break for lunch around 1 o'clock. Depending on our progress, we may take a further, short break this afternoon.

Members of the public are welcome to leave the meeting at any time, but I ask them to do so quietly, please. I should point out that, although the meeting is being held in public, it is not a public meeting; it is part of the Parliament's formal work. I would therefore appreciate the co-operation of members of the public in ensuring the proper conduct of today's business. I ask everyone to ensure that mobile phones and pagers are switched off. No apologies have been received and all members are present.

We shall hear evidence from representatives of the bill's promoter, Clackmannanshire Council, and from other witnesses whose evidence the committee considered would be relevant to today's topics. We shall commence with oral evidence on behalf of the bill's promoter, Clackmannanshire Council, from Tara Whitworth, who is a principal engineer with Babbie Group Ltd, and Paul Irving, who is from the parliamentary agents John Kennedy & Co.

TARA WHITWORTH and PAUL IRVING made a solemn affirmation.

The Convener: Mr Irving, you kindly provided a memorandum for the committee's perusal, but further questions arose from it. Our adviser advised us to ask you for a supplementary memorandum, which we received today. Will you talk us through that memorandum? The committee may have questions when you have done so.

Paul Irving (John Kennedy & Co): The first question that Mr Trinick raised was which elements of the works we meant when we referred to permitted development right works. The answer is that they are the works at either end of the line that the bill will authorise—the works to upgrade the existing operational railway between Kincardine power station and Longannet power station and the improvements in the signalling system at Stirling station.

The point about class 29 permitted development rights arises from the first point. I am afraid that the environmental statement was incorrect in that it referred to those rights as class 34 permitted development rights. Class 34 rights are general rights to develop on operational land, which all railway undertakers enjoy. However, the development rights that are relevant to the operation of this railway are class 29 permitted development rights, which arise from development that has been authorised by acts of Parliament—the original legislation that authorised the railway.

The next point was about our claim that

"The signalling and upgrading works ... are within the scope of these statutory powers ... subject to the conditions detailed in the following sections".

The phrase "the following sections" is meant to refer to sections of the Railways Clauses

Consolidation (Scotland) Act 1845 that contain various conditions with which the undertaker must comply in exercising the powers of that act.

The next point was whether we can confirm that Network Rail's existing statutory powers are sufficient to underpin the class 29 permitted development rights. We will need to confirm that point, because I am not the draftsman of the bill. We will have to check the authorising acts, but my assumption is that, as invariably happens in such cases, the draftsman will have incorporated into the bill section 16 of the 1845 act, which confers the power to alter, repair or replace existing railways. The view has always been taken that that is a sufficient power to attract class 29 permitted development rights.

The Convener: On that point, can you give the committee a timetable for confirming that the powers in the original act are sufficient to trigger class 29 rights? Would it be possible to give us such a timetable by the end of the week?

Paul Irving: Yes, certainly. We will let the committee have a timetable for that by the end of the week.

11:30

The Convener: The committee is grateful for the clarification on the section of the environmental statement that was incorrect in relation to class 34 rights. We accept that. Do you have anything else to add?

Paul Irving: Mr Trinick raised a few more issues. He asked us to identify what development has been assessed in the environmental statement that the bill does not propose to authorise. We have listed those works and identified them as PDR works in the annotated table 2.1, which is appended to the memorandum.

A question was raised about the general ancillary powers that are mentioned in schedule 3 to the bill, particularly in paragraph 13, which authorises works in a very general form. The point is that paragraph 13 of schedule 3 is a general sweeping-up provision that is intended to cover minor engineering works that could not possibly be identified and listed in the bill or in the environmental statement. The memorandum on the environmental statement will give further information, but it is my understanding that any works that are likely to cause or to contribute to significant environmental effects—whether such works are described specifically in the bill or whether they are ancillary works—have been assessed in the environmental statement.

The Convener: Do you have a timetable for the delivery of that supplementary memorandum on the environmental statement?

Paul Irving: We are looking at a date of 3 November.

The Convener: Thank you.

Paul Irving: I am sorry—I missed the point about the flood prevention works, which are not mentioned in Network Rail's submission. We do not believe that there is any disagreement on the issue, but Network Rail might be able to confirm that in due course. There has been considerable discussion with Network Rail and it was on that basis that we included in the bill the powers in relation to those works.

The Convener: We hope that Network Rail will be able to throw light on that question when we hear its evidence. Have you anything to add on the supplementary memorandum that was supplied today?

Paul Irving: No, I have not.

The Convener: Other members have further questions.

David Mundell (South of Scotland) (Con): As you will have seen from the questions that preceded the memorandum, we were slightly concerned about the proposed timetable, because it seemed to be very ambitious. The memorandum does not really tackle those concerns head on. We all appreciate that, ultimately, it is up to the Scottish Parliament to determine the time scale for the bill but, if we assume that all goes well—that the parliamentary procedures are completed by and royal assent is given in April 2004—I do not understand how you can say that work could commence in that month. Perhaps you could clarify how you think that events will unfold after the bill is passed.

Tara Whitworth (Babtie Group Ltd): I can answer that. As you are aware, Clackmannanshire Council published a prior information notice in April this year. A prior information notice is an advance warning notice that appears in the *Official Journal of the European Union*, alerting all the industry members that a project of in excess of €5 million, or approximately £3.5 million, is likely to happen sometime in that financial year. Last month, that was followed up by the publication of a contract notice, which called for expressions of interest from design-build contractors who might be interested in procuring the project with the promoter. The contract notice requested teams to come forward to undertake a two-phase design-build project.

We have called phase 1 “early contractor involvement”. That entails working with the promoter's team while the bill is going through Parliament to make sure that any outstanding work can be addressed. That will include things such as beginning the detailed design, but not

completing it, and discussing with the relevant authorities, such as Network Rail and Her Majesty's railway inspectorate, how we will get the necessary approvals to ensure that we can start on site at the earliest available time.

Phase 2 of the project is the design-build phase. That cannot happen until the bill is passed and the works are authorised. If the bill fails at any stage and is not passed, the project will never proceed to phase 2. Therefore, from now until January 2004, we can procure a design-build team. From January until the bill is passed, whether that is in April 2004 or later, or not at all, we can develop the cost estimate and technical details for the scheme and we can continue discussions with landowners. When the bill is passed, the design-build contractor will be able to go on site as soon as possible.

The programme is ambitious, but it is realistic. This is a major infrastructure scheme and, although it requires a bill to be passed to give the power to proceed, it is normal to have a period of time before going on site. That time will allow us to get technical approvals and to work on details before the work is started.

David Mundell: Unless I am hearing you incorrectly, you are conceding that there must be a period of time immediately after the passing of the bill before works can commence.

Tara Whitworth: Yes, that is correct. We do not expect the contractor to be out on site the next day. There will have to be a certain amount of advance planning. However, we hope that, once the bill reaches its final stages, such as the 28-day legal challenge period, we can use that time to start gearing up the contractor to get out on site.

The design-build project and early contractor involvement mean that we can start on site as soon as possible. Obviously, we still have to issue notices to treat to get out on to some of the land, so some time will pass between the passing of the bill and the start of work, but we hope to minimise that time.

David Mundell: Surely you will also require other approvals and it might not be appropriate to seek those until the bill has completed its parliamentary passage.

Tara Whitworth: It is appropriate to start seeking some of those approvals at this stage. For example, HMRI and Network Rail have multistage approval processes. A lot of the initial approval of the detailed design is required before construction can commence. For example, part of the Network Rail process is for approval of the project design; we will need that approval before we can start construction.

A lot of the processes will happen in parallel with the passage of the bill. That is not to assume that

the bill will be passed, but we can seek the necessary approvals while the bill is going through. We cannot get certain approvals until the bill has been passed. However, where we can start the process, we are doing so.

David Mundell: What if, for any reason, there is a delay in the passing of the bill? Your estimates are based on traffic running on the line in early course. How does a delay fit into your commercial risk modelling and the general financing of the project?

Tara Whitworth: The funding package is not 100 per cent in place. We have approval for 80 per cent of the funding, including significant support from the Scottish Executive, which will put the funding in place before the bill is passed. However, the funding is set up in such a way that we will not draw the money down until the work has started.

Could you repeat your other question?

David Mundell: If the project is delayed for any reason, how would that affect the commercial risk modelling that was done when the project was being developed?

Tara Whitworth: The bill is on the critical path of the project, so if there is a delay in the passage of the bill, that will cause a reciprocal delay in the programme. We can have a certain amount of overlap. There is a degree of float within the programme so that if the bill were delayed for a month or two, for example, we might be able to absorb that within the programme. If the bill were delayed for a significant length of time, that would start impacting on when the trains might run on the route.

We have to slot in a number of different things to do with the programme. For example, we are currently predicting that trains will run on the route in December 2005. The ScotRail franchise is currently up for retendering, which might cause a delay to trains running. Furthermore, we believe that the national network will switch to a December-to-December timetable, so we may not be able to reopen the route to trains until the new timetable is in place.

The bill is on the critical path, but a lot of the issues have been fed into a commercial risk assessment review and we try to manage them as we take the project forward.

David Mundell: Finally, can you give the latest date by which trains can run before there is a difficulty with your risk assessment and financial assessments?

Tara Whitworth: No.

Mr Rob Gibson (Highlands and Islands) (SNP): We can understand that the commercial

approach to a project—even if that project is to be sanctioned by a private bill—involves taking certain action to secure early implementation. However, in this case, it seems a little presumptuous to publish contract notices before even the preliminary stage of the bill has been completed. Until Parliament considers our preliminary stage report, you will not know whether members are satisfied with the general principles of the bill and the adequacy of the information that has been provided to support those general principles.

Tara Whitworth: At present, the award of contract for the first stage of the project is scheduled for some time in January 2004 or thereabouts. The promoter will have to take a decision, depending on how the bill is proceeding. If we do not have the preliminary stage report by then, the promoter may decide to hold back on awarding the contract until it has seen the report.

Mr Gibson: But have you received sufficient expressions of interest in response to the contract notice to support your confidence in the project?

Tara Whitworth: We have. We have received a great number of expressions of interest in the project. The industry is very interested in it.

The Convener: Mr Irving, I return to what I asked about your supplementary memorandum and class 29 permitted development rights. You said that you could give us a timetable and confirm powers. Could you give us not just the timetable but the answers that are required by Friday?

Paul Irving: I certainly hope to do so by next Monday, but we will try to produce an answer by Friday, if that would be helpful.

The Convener: That would be helpful. Thank you.

Would either of you care to make any closing remarks?

Tara Whitworth: No thank you.

Paul Irving: No.

The Convener: Thank you for appearing before the committee and answering our questions.

There will be a minute's delay while we change witnesses.

11:43

Meeting suspended.

11:44

On resuming—

The Convener: Mr Mike Smith is the principal inspector of railways for Her Majesty's railway inspectorate. Good morning, Mr Smith. Welcome to this committee meeting.

MIKE SMITH *took the oath.*

The Convener: Although your memorandum sets out the inspectorate's role, I think that it would be helpful if you could outline for the committee the authorities that are required to operate a railway line quite apart from those that are involved in the process of construction.

Mike Smith (Her Majesty's Railway Inspectorate): As far as the Health and Safety Executive and HMRI are concerned, the works would require approval under the Railways and Other Transport Systems (Approval of Works, Plant and Equipment) Regulations 1994. Basically, approval involves a number of stages, which I could perhaps explain in a little more detail than is contained in the memorandum.

The Convener: If you would.

Mike Smith: With any scheme, we usually start discussions with the promoter at a fairly early stage. During that first stage, the promoter or the railway authority discusses designs with us and gives us any outline plans and details, after which we would issue a letter of no objection to concept. That would enable the scheme to progress to the second level of design, which might involve, if you like, the submission of greater detail, such as calculations and signalling control details. After subjecting that detail to much greater screening or examination, we would issue a letter of no objection to proposal.

Obviously, there is time between each stage. The works would be executed and equipment such as signalling, bridges and stations would be installed. At that point, the developer would come back to us with a certificate of completion, which basically says that the works have met the required standards set down in HSE's "Railway Safety Principles and Guidance" or Railway Safety's "The Railway Group Standards Code". Following receipt of that certificate, we would usually inspect the works. If they were of a suitable standard, approval would be issued, after which, as far as HSE was concerned, operation could commence.

As we have mentioned in our memorandum, the proposal would require a licence—such licences are issued by the Office of the Rail Regulator when a safety case has been approved. That would depend on who the infrastructure controller and the operator were. For example, if Network

Rail was involved, we might simply be talking about a modification to the safety case. If such a modification was non-material and therefore simple, it might not require HMRI's approval. On the other hand, any material modification would have to be referred to an assessment process, which generally takes about 60 days.

Mr Richard Baker (North East Scotland) (Lab): On the question of process, is it normal for the approvals that are outlined in paragraph 5 of your memorandum to be sought only after development consent is granted, in this case by the bill?

Mike Smith: We have already had some detailed discussions with the promoter. Indeed, we often advocate the view that the earlier we begin discussions, the better. Although those discussions have not yet reached any formal stage, I should point out that it is not necessary for the bill to be passed before a letter of no objection to concept is sought. However, if the bill is not passed, that effort would be lost.

Nora Radcliffe (Gordon) (LD): I want to get a handle on the time frame of your requirements in the whole project. You have given us an indication of the sort of time scales that we could be talking about for the subsequent approvals. Could you put a time frame on your requirements, please?

Mike Smith: The operator or promoter can apply for no objection to concept at any time. Generally, we try to provide a response within six weeks to any application relating to concept. Design time would then pass, which can vary from project to project. Sometimes, we do not hear back for another 12 to 18 months. However, we may have interim meetings with the promoter if he has a problem or if there is an issue on which he seeks guidance.

When we get an application for no objection to proposal, again we set targets. Because of its detailed nature, the examination often takes six to eight weeks and sometimes longer, depending on the nature of the proposal. There is, therefore, no fixed time scale for the various stages; that depends entirely on the promoter.

Nora Radcliffe: You have not yet got to the first stage of providing no objection to concept. That stage has not been reached formally.

Mike Smith: No, not formally.

Nora Radcliffe: But you have had quite long discussions.

Mike Smith: We have had discussions and have received outline proposals relating to, for example, signalling systems on the proposed route. However, we have received no formal applications.

Nora Radcliffe: This is perhaps an unfair question for me to ask. Given the level of discussion that you have had already, do you foresee that the no objections to concept and proposal will be received within the lower end of the time frame that you are indicating?

Mike Smith: That is certainly the case regarding the no objection to concept. We have seen outline works proposals and the majority appear to be fairly conventional. Nothing that we have seen is outside the standard parameters. I would expect formal applications to be made within the stated time scales.

Nora Radcliffe: That is helpful.

Mr Gibson: I am interested to know whether the approvals that are required after the bill is passed—you mention them in your submission—are invariably granted. Alternatively, after the promoter has gone through the process of the bill, the railway might not proceed because, for example, no safety case is acceptable to the HSE. Has that happened?

Mike Smith: It has not happened that a project has not proceeded because something was not acceptable to the HSE. However, we often require modifications or revisions to a design that we consider does not meet the standards that we require. The issue may be something relatively simple—for example, a bridge parapet height or details of the signalling system being laid out differently from what was initially proposed. Often, it is a case of going back and negotiating changes with the promoter or developer, rather than saying that a project will not go ahead, full stop.

Mr Gibson: So you are talking about not major issues that would crop up in the wording of the bill, but matters relating to the day-to-day organisation of the scheme on the ground.

Mike Smith: Yes. The issues relate to the technical detail and the scheme on the ground, rather than the bill.

The Convener: Thank you. Would you like to make any brief closing remarks?

Mike Smith: I do not think so. In paragraph 1 of our submission, we state that HMRI lodged an objection to the bill. We did that because the bill was published before we had had a chance to have a detailed look at the project. We had some concerns relating to level crossings, the provision of signage and the design of the crossings. However, we have met the promoter and resolved those issues.

The Convener: I am grateful for that clarification. We knew that the objection had been withdrawn and so felt that it was unfair to ask a question about it.

Thank you for appearing before the committee and answering our questions. If you would like to retire to the body of the hall, you are more than welcome to stay for the rest of the meeting.

There will now be a two-minute interval while we change witnesses.

11:54

Meeting suspended.

11:55

On resuming—

The Convener: The committee will now hear oral evidence from and on behalf of the bill's promoter, Clackmannanshire Council.

ALEX DEANS and DAVID CONNOLLY *took the oath.*

AUBREY FAWCETT *made a solemn affirmation.*

The Convener: I will start the questions. In paragraphs 1 to 5 of your written evidence, there is an overview of the need case, which you go on to justify in more detail in later paragraphs. However, paragraph 3 contains a claim that the bill works

"would provide a step change for the perception of Clackmannanshire."

That seems a pretty bold claim. Will you elaborate on it?

Alex Deans (Clackmannanshire Council): It is probably worth explaining how we would like to answer the questions. I have been nominated as the spokesperson for the group. David Connolly will have particular responsibility for addressing issues regarding the economic benefits, particularly in relation to freight movements. Aubrey Fawcett will answer questions on the wider social issues and the wider economic benefits for Clackmannanshire. I will try to put my various hats on and answer everything else.

In answer to the question, Clackmannanshire has a wide series of identified and quantified problems, which range from fairly poor strategic accessibility, poor strategic transport provision and a lack of general inward investment to levels of social exclusion and relatively poor educational attainment. There are clear and identified issues with which we are all trying to deal. The coming of the railway will make a step change to provision in trying to address some of those issues.

The Convener: Perhaps we can get a bit more specific. In paragraph 11, in the context of improving public transport access, you compare the percentage of people in Clackmannanshire who travel to work or study by car with the average for Scotland—the information was taken from a Clackmannanshire Council publication. You

also record the key reasons for the higher level of commuting by car in the Clackmannanshire population. The first of those reasons is a

"relative imbalance between housing and employment opportunities manifesting itself in the form of high levels of out-commuting".

Although the new railway will enable travel by rail rather than by car, will it not encourage even higher levels of out-commuting by the existing population and by those who may be encouraged to relocate to Clackmannanshire?

Alex Deans: That is a valid point. As part of the development plan process, it is obvious that we have to accommodate the additional population levels that might be created if people were to come into the area.

In relation to the accessibility profiles, there are notably high levels of commuting. As I said, we have no rail provision and our bus provision is limited. We have a good bus service between Stirling and Alloa but we have only limited connections to the wider central Scotland network. It is hoped that the provision of the new rail service will help to alleviate the road congestion problems created by the obvious deficiencies of the highway network. The route between Alloa and Stirling is rapidly filling up with cars. There is a high amount of traffic between Clackmannanshire and the wider area, and most of that movement is done by car as there is no real alternative. We hope to attract a lot of that traffic and thereby fundamentally improve conditions on the road network.

12:00

The Convener: If the proposal resulted in more people going to live in Clackmannanshire, would that be helpful to the aspirations of Clackmannanshire Council to attract inward investment and create employment opportunities?

Alex Deans: Yes. In an ideal world, we would like people not only to live in Clackmannanshire but to work and play there.

Mr Gibson: In paragraph 12 of your submission, you explore the benefits of having a passenger service between Stirling and Alloa. However, paragraph 6 of Network Rail's memorandum says that the introduction of freight traffic on to the route will leave

"very few spare timetable paths for any additional services on this section of the route."

How has the promoter assessed the benefits of the project in terms of additional rail passenger paths between Alloa and Glasgow, given that note of caution from Network Rail?

Alex Deans: The service has been designed to cope with 15 passenger paths a day—essentially,

it will be an extension to Alloa of the existing Glasgow Queen Street to Stirling service. The system has also been designed to cope with key freight paths as well, so the capacity to deal with all the proposed movements will be present from the start of the process.

Mr Gibson: Is it true that freight movements often take place during the night rather than when passenger traffic is greatest?

Alex Deans: That might well be the case. Our indication at the moment, however, is that most of the freight movement will take place during the day because the main freight operator, Scottish Power, will need to transport coal to Longannet power station during that facility's operational hours. However, I do not think that we can guarantee that there will never be any night-time operations.

Mr Gibson: In paragraph 15 of your submission, you discuss the proposed new high-quality station in Alloa. Who do you expect will own and operate that station?

Alex Deans: That is a good question. There are two elements to the new station: the station infrastructure and platform; and the associated car park. At the moment, we intend to pass the station and the railway infrastructure to Network Rail and the train operating company—we do not want to maintain the platform and so on.

My opinion is that Clackmannanshire Council, as part of its wider traffic management strategy, would like to retain ownership of the car park and fit it in with its parking provision.

Mr Gibson: Would parking be on a paying basis?

Alex Deans: We have not discussed that as yet, but I can assure you that the cost of parking would be considerably cheaper than it is in Stirling station, where it costs £3.50 a day.

The Convener: Thanks for the advert, Mr Deans.

David Mundell: Much of the discussion about freight traffic on the railway, which is dealt with in paragraphs 18 to 35 of your submission, will be explored with other witnesses later on, but I would like to examine one or two issues at this point.

Paragraph 23 says that the direct economic benefits of the various options that are presented in the MVA report of February 2002 were assessed by quantifying the 30-year benefits associated with each option. Why was a period of 30 years chosen?

Alex Deans: I will ask David Connolly to answer that question.

David Connolly (MVA): That period was recommended by the Department for Transport, Local Government and the Regions and is the standard lifetime assumed for a public transport scheme with regard to such assessments. The capital cost is spent upfront, with benefits over the life of the scheme. The assessment is designed to find a balance between the initial costs and the benefits over the life of the scheme.

David Mundell: We will come back to how that fits in with some of the other timings.

In paragraph 23, you discuss the long-term impact on Government revenues

"including the effects of abstraction from existing public transport."

I assume that you mean the loss of revenue from people who divert from bus to train. Is that a correct assumption?

David Connolly: That is correct. The earlier part of the sentence refers to

"the impact on public transport operator and government revenues".

The abstraction is from the existing bus service, but there are also impacts on Government revenue, particularly relating to the tax impact of taking more, or less, money from the travelling public. A net indirect tax impact is included in the figures. Effectively, if people spend more money on public transport, they do not buy televisions and do not pay VAT on such purchases. If they spend less money on public transport, they have more money in their pockets. That has a net indirect tax impact. There is also a fuel-related tax impact. That is all part of the standard economic appraisal. The impact on tax revenues is included in our figures as standard economic practice.

David Mundell: So the impact comes from a formula. It is not the case that the Government would lose out directly because people are not on buses, as no money comes to the Government from bus travel.

David Connolly: That is correct. The abstraction from bus to rail has no direct impact on the Government. If people move from car to rail, that has an impact because those people do not buy petrol and therefore do not pay tax on it. There is no impact on Government revenue from a switch from bus to rail.

David Mundell: The 30-year exploration of benefits is elaborated on a little more in paragraph 24 and there is a reference to £35 million. Can you point us to the MVA information note at the back of the memorandum and indicate where we can find the cross-reference to the figure of £35 million?

David Connolly: In a word, no. The reference in footnote 9 to the MVA report is incorrect. The

figure of £35 million is based on current assumptions rather than the assumptions that were in place in February 2002. The key difference in those assumptions is that since we produced our report in 2002 the Longannet deep mine has closed, so the assumption instantly changed from there being a low demand at Longannet to there being a high demand, because it was no longer possible to lift the coal out of the ground and burn it within Longannet. We have moved from the low demand that was the base assumption in the February 2002 report.

The figure has come from analysis done over the past three months—in less than that, in fact—particularly in relation to the questions that have been asked of the promoter. I cannot point members to the original MVA report. The figures are similar to some of the scenarios that are referred to in the later memorandum, but even they have been superseded by the assumptions that have been tested to date. The figure is unsubstantiated by any of the documents in front of members, but I have the figures in front of me and can provide them to the committee at very short notice.

David Mundell: It would be appropriate for the figures that substantiate the figure of £35 million to be provided to the committee.

The Convener: Absolutely. Can that be done?

David Connolly: Yes. There are two versions of the information. What each figure means can be explained in great detail or the information can be provided in a much simpler table in which the figures are broken down by the various benefits that are described. I can provide the information in whichever way is more useful to the committee.

The Convener: Can we have it both ways, please?

David Mundell: Another point that I was going to raise is that the net present value is between £15 and £19 million, but again it is not clear where in the MVA report those figures can be substantiated. For example, table 3.3 explores net present value but does not have those figures in it.

David Connolly: Again, when the tables in the February 2002 report were produced the Longannet deep mine was still operational. The closest figure within the February 2002 report was the so-called high demand option, which had the best return. Since then there have been other changes in the assumptions, not least of which is the change to the standard Treasury discounting rate that is used. That has an impact on the benefit stream over the 30 years. The net present value will be covered in the same additional documentation; the figures do not appear directly in the old February 2002 report.

David Mundell: Perhaps that might also apply to the next issue that I want to raise—we shall see. You say that benefits from the use of freed-up rail paths across the Forth rail bridge will contribute £18 million of the 30-year benefits. That £18 million figure does not appear to be in the report. Can you explain from where it comes?

David Connolly: The £18 million figure does not appear in the report, but it was calculated using the same methodology that the report used. The only difference is in the assumed discount rate. The February 2002 report assumed a high discount figure of 6 per cent per annum, which means that future benefits are discounted back to present values and that distant benefits are not worth as much as closer benefits. However, the Treasury amended its advice and reduced the discount rate to a much lower one of 3.5 per cent per annum, which means that more of the distant benefits contribute to the overall economic case.

Apart from the difference in assumed discount rates, the February 2002 report's methodology was followed exactly to deduce the £18 million figure. Again, that figure will be explained in the summary of the figures that have been generated within the past fortnight.

David Mundell: That issue will be covered in the additional information.

David Connolly: Yes. What I am proposing is an information note that will update the February 2002 report.

The Convener: When can we expect that information?

David Connolly: Would the end of this week be sufficient?

The Convener: That would be agreeable.

David Mundell: A key issue at this preliminary stage of the committee's consideration of the bill is the length of life of Longannet power station. I presume that you have seen Scottish Power's written evidence, from which issues arise that we will raise later with Scottish Power. Your written evidence quantifies the 30-year benefits of the scheme, but paragraph 28 of your submission allows for the early closure of Longannet power station in 2020. Again, with reference to the MVA report, can you explain from where the figures in paragraph 28 emerge?

David Connolly: My answer is the same as my previous answer. The numbers to which you refer are hot off the press in terms of the current set of assumptions. The February 2002 report carried out a test that included the assumption that Longannet would close early. However, that was done on the basis of the deep mine remaining open. Therefore, the sensitivity test in the February 2002 report was based on the

assumption of the mine remaining open and the power station being shut. The easiest thing to do now is to assume that the sources of the numbers will be covered in the information note that will be produced this week. The same methodology was used to calculate the figures in paragraph 28 as was used in the 2002 report, but the main change between now and 2002 is the assumption about the deep mine.

David Mundell: Right. However, I suggest that, compared with your assumption of a 2020 closure date, Scottish Power's evidence is less optimistic about the future of Longannet. Have you made another calculation that is based on Scottish Power's assumed 2012 closure date for Longannet? What would be the effect on the assessment of the scheme's benefits if a 2012 closure date were assumed?

David Connolly: I was unaware of the assumption of a 2012 closure date. On Friday last, I became aware of a suggestion of a 2015 closure date and I tested the effect of that date. Therefore, I have model results for closure dates for Longannet power station of 2015 and 2020, and for a 30-year operation of Longannet. I do not have numbers at my fingertips for a 2012 closure date.

The Convener: Can you provide those?

David Connolly: Sure. Again, I can give them verbally or they can be covered in the information note.

The Convener: If the information is included in the note—which seems to be getting longer—that would be fine.

David Connolly: Let me first deal with the benefits of the scheme in purely economic terms—I will return to the environmental and development benefits, which are predominantly driven by the passenger service. Roughly speaking, the freight side accounts for half of the benefits of the scheme as a whole, but those benefits obviously get whittled back, in that for every year that there is no power station requiring coal, a year's worth of benefits is lost. However, those benefits are discounted because they are future benefits. To give a ballpark figure, it is estimated that the direct benefits of the scheme would be about 23 per cent down if the power station shuts in 2020 and 34 per cent down if it shuts in 2015. I apologise that I do not have a corresponding figure for 2012. Do you wish the note to provide a figure for 2012 rather than 2015?

The Convener: Yes, please.

12:15

David Mundell: That raises another question. What is the extent of your discussions with

Scottish Power? In its evidence, Scottish Power explicitly states 2012. I would have thought that that would have been discussed with you.

David Connolly: I personally have no direct contact with Scottish Power. The instructions to carry out tests and the assumptions that were made came via the Scottish Executive and the promoter. They are in more direct contact.

Alex Deans: Discussions have taken place between the project team and Scottish Power over the development of the project. Obviously, early closure is a commercial issue for Scottish Power. The Scottish Environment Protection Agency will probably need to consider the appropriate environmental constraints.

We recognise that Scottish Power is a major benefactor from the scheme, but it is certainly not the only one. We are now required to assess transport schemes in their entirety and make a judgment call not just on the economic rate of return but on many more objectives that take into account integration, safety, accessibility and the overall environment. Those benefits are substantial, irrespective of the situation regarding Scottish Power. The case that we are putting forward is based on an holistic argument.

David Mundell: That perhaps pre-empts my next point. If we had to go down the scenario of closure in 2012, the freight element of the benefits would subsist for only five or six years.

Alex Deans: We accept that. Obviously, that would be an issue for the promoter and its funding partners to address, but I cannot reiterate enough that a raft of benefits are associated with the scheme, not least of which are the benefits to the Clackmannanshire economy that will come from public transport provision in Clackmannanshire. There will also be benefits to the wider central Scotland network because the scheme will remove road traffic and improve safety and the environment overall. The scheme will pick up a range of issues.

David Mundell: Are you saying that the scheme can be justified in terms of its potential for passenger traffic?

Alex Deans: No, I am saying that the justification for the scheme is based on a range of issues, not just on the situation with Scottish Power. If Scottish Power closes the power station early, that will obviously be a problem for electricity generation in Scotland, but obvious benefits will come from implementing the scheme. Even if the power station closes early, the benefits to the Fife services and local services can be picked up.

David Mundell: But if the scheme does not benefit passenger traffic, whom does it benefit?

Alex Deans: It benefits everybody. That is why we are promoting the scheme.

David Mundell: I am a little confused by that. Are you saying that just having the railway running, whether or not anybody uses it, is reason enough for opening it?

Alex Deans: Absolutely not. There will be passenger benefits. We hope that Scottish Power will keep the power station open until 2030, but even if the power station closes slightly earlier, although there may be a slight loss in the economic benefit for the case, there will be significant wider overall benefits that will be picked up in other areas.

David Mundell: Finally, how does the potential early closure of Longannet in 2012 affect the commercial impact of the project?

Alex Deans: Do you mean in terms of the commercial risk?

David Mundell: A commercial risk model for running the project has been worked out based on freight operating over a certain period.

Alex Deans: That will obviously be in the information note that David Connolly will compile.

David Mundell: Thank you.

Nora Radcliffe: I want to go into some detail about traffic movements by road, and my questions will be based on the evidence that we have heard. Will traffic movements be affected by the closure of the deep mine? According to Scottish Power's memorandum, there appears to be a voluntary agreement to restrict to a maximum of 200 per day the number of coal trucks delivering to Longannet, compared with your figure of approximately 220 trucks. That is a slight discrepancy.

Also, when you talk about trips, do you mean two-way trips, in which case we are talking about 110 trucks? There is also a discrepancy between your figure of 1 million tonnes of coal per annum and Scottish Power's reference in paragraph 5.3 of its memorandum to a practical limit of 2 million tonnes per annum. Could we perhaps pin down those road movements and quantities a bit more securely?

David Connolly: I would be grateful if you could point me to the paragraph in our memo regarding the number of tonnes. Is it paragraph 32?

Nora Radcliffe: I was hoping that you would not ask me that, as I am not quite sure. I beg your pardon; it is paragraph 31.

Alex Deans: Perhaps I could come in on that point. The memo on need and the economic case made some assumptions with regard to the movement of coal into the power station.

Movements vary throughout the year, but essentially there is a 3 million tonne capacity restriction on the Forth bridge, so that is the only amount of rail-borne coal that we can bring in. An approximation was given that it would be necessary to obtain 1 million tonnes by road-borne traffic, and that is where the number of lorry movements comes from.

Nora Radcliffe: So you just took the amount that needed to be delivered by road, divided it by the number of trips and extrapolated the approximate number of trucks from that.

Alex Deans: Yes.

David Connolly: Our economic assessment is very conservative, because we did not assume any benefit from the diversion of coal from road to rail. That is an upside that is not included in our figures. In effect, we assumed that, either with or without Longannet deep mine, the current demand for road-borne coal will remain, but obviously there will be flexibility to move from road to rail, and Scottish Power has expressed a desire to push up from the current 3.2 million tonnes of rail-borne coal—the amount that we have assumed—to an upper ceiling of 5 million tonnes. There are therefore additional upside benefits that are not included in the MVA 2002 report or in the current economic figures, which assume that rail-borne coal will remain as it is at present and simply come by a different route.

Nora Radcliffe: That probably answers the question I was going to ask next, about the fact that you envisage the remaining coal movements taking place by road. You have said that you have not taken diversion from road to rail into account.

David Connolly: We decided that it was safer and more conservative not to make guesses on a commercial basis as to whether it was cheaper to import coal by road or by rail. That would be a matter for Scottish Power and the freight providers. We therefore made the conservative assumption that if 3.2 million tonnes per annum are currently coming in by rail, that would be the continuing demand after the scheme was opened and that road traffic would be unaffected. We acknowledge that there would almost certainly be an upside in environmental terms, and probably also in cost terms, but that is not quantified in our numbers.

Nora Radcliffe: So your whole economic case is based on freeing up the Forth rail commitment.

David Connolly: That is correct. In effect, the rail system would continue to take the existing quantity of rail-borne coal but would do so more efficiently.

Nora Radcliffe: Do you have any feeling as to whether Scottish Power will choose to operate on

rail rather than on road? You have had no direct contact with Scottish Power, so perhaps that is not something that you have been able to ascertain.

David Connolly: It is not my place to answer that, as it is a commercial decision for Scottish Power, which would almost certainly want to keep the flexibility to use either road or rail, particularly to cope with seasonality effects. It might want to use the rail capacity and also have a steady road supply, but it is not my position to guess what Scottish Power plans to do.

Nora Radcliffe: We will be taking evidence from representatives of Scottish Power, so we can ask them the question directly.

In paragraph 30 of your evidence you say that road-based coal lorries are often perceived as

“intrusive on the economic and visual landscape elements of the town.”

Will you elaborate on that?

Alex Deans: Much of the heavy lorry movement is through Kincardine. There are issues with road traffic in Kincardine at the moment, irrespective of the heavy lorry movements. There is generally perceived to be a threat from having heavy coal lorries on the road network in an environment where cyclists and others are moving about. Obviously, if the coal can be shifted in a more environmentally friendly way, we would support that.

Mr Baker: I have a couple of questions on freeing up paths on the rail network. We will return to that when we hear from the witnesses this afternoon, but I am interested to hear whether you can enlighten us. In paragraph 34, you refer to the operational flexibility of transporting coal round the coal network and you say that that would be increased with a wider rail network. Given that a principal objective of the bill is to free up paths across the Forth rail bridge and concentrate coal traffic within the proposed new network, will you explain what you meant by that?

David Connolly: One of the issues set out in detail in the MVA report of February 2002 is that of the different types of coal wagon that are used to transport coal, particularly from the west coast, to Longannet. Because of the weight restriction and length-of-train restriction, two different coal units are used. I am afraid that I am not enough of a freight expert to be able to use the correct terminology. However, in effect, the operation of coal movement from Mossend and Hunterston will be simplified and made more efficient, because the route will not require the less efficient shorter train to be used. Efficiency in freight movement will come predominantly from allowing a standard unit that can be used throughout the United Kingdom. Again, the question is probably more for the freight

operators, but the issue was spelled out in the report of February 2002. The other benefit is that if freight is taken off the Forth rail bridge, paths are freed up that can be used for passenger services, so that overcrowding is relieved and a more frequent service provided.

Mr Baker: I have another question on available paths. We might return to this this afternoon, but help from you would be appreciated. Presumably, a contractual relationship exists between Network Rail and the freight provider to allow the provider to deliver coal to Longannet across the Forth rail bridge. Presumably, the advantages of the new route in terms of freeing up paths over the rail bridge will be realised only if existing paths are surrendered. Is that the case and, if it is, what is the process for the surrender of the paths?

David Connolly: I am unable to answer the question on how and when the paths would be freed up. However, if the paths are retained and not used, we will not be able to run more passenger trains, but there will be effects on reliability, because there will be more slack in the system. The paths might not be used for passenger services or they might be retained, but I do not see why a freight operator would pay for paths and access to a significant part of the rail network without using the paths. My guess is that the paths would be freed up at the earliest opportunity, but I cannot describe the legal process or the time scale for that. There would be little commercial reason for the operators to maintain paths that, because they had a better alternative, they had no intention of using.

Mr Baker: Is there inevitably a link between the creation of new paths for coal on the new line and the surrender of existing paths over the Forth rail bridge?

David Connolly: The extra path would be generated by removing the coal trains from the Forth rail bridge and sending them by the more efficient alternative route. That either creates an extra path that is not used for passenger services or a path that is used once an hour in each direction.

The Convener: I move on to the issue of minimising land take and turn your attention to paragraph 67 of your evidence, where it is indicated that further justification for the land take can be found in two places. The specified parts of the environmental statement, including tables 2.2 and 2.3, set out a description of the land take, but there is no justification of the amount of land required.

You will appreciate that the committee is concerned to ensure that private rights are affected to the minimum possible extent, but we do not think that you have provided us with

sufficient argument to support your view that they will be affected to the minimum possible extent. Will you comment on that?

12:30

Alex Deans: Probably the most important point is that we have utilised the existing route as far as is practically possible. Currently, the majority of the land is owned by Network Rail anyway. In effect, we are promoting a single-track scheme with passing loops, as such a scheme could accommodate the predicted level of traffic using the line. Obviously, such a scheme will reduce the amount of land take that is required.

As part of the on-going project development work, we are reviewing the land take with all the landowners along the route who are affected. Indeed, we are committed to legally binding agreements with various landowners along the route that essentially say that we will not use compulsory purchase powers to acquire some land.

The majority of the permanent land take is required for the associated road works—essentially the new link road and the realignment of the A907. Minor parcels of land are required for upgrading signalling equipment and level crossings, for example, but the majority of the land is within the existing railway boundary.

Obviously, temporary land take is an issue. A fair degree of engineering judgment has been exercised in considering how construction traffic would impact on people and land. Such considerations must be carefully balanced against the need to enable construction traffic to do the works.

The Convener: With the best will in the world, I say that chapter 3 of volume 2 of the environmental statement simply describes what the land take will be—it does not justify it. Will you say where the land take is justified in volume 2, or must we wait for such justification in the further note? A description of the land take is fine and factual, but we want justification for it.

Alex Deans: We could supply a written note on that matter as soon as we can.

The Convener: The committee would be grateful for that.

The committee will explore Scottish Power's written evidence this afternoon. In paragraph 5 of that evidence, Scottish Power refers to

"a voluntary agreement with the local community restricting the number of coal trucks delivered to Longannet"

in recognition of the impact of those movements on local communities' amenities. Could you assure the committee that, in the environmental

statement, the promoter has assessed the impact of construction and operation of the new railway on the adjoining and neighbouring communities and balanced it against the alleviation of the current effects of coal-truck traffic? I am sure that you will appreciate that a balance must be struck.

Alex Deans: That question may take some time to answer. I could supply a written representation on that matter, too, which would allow me time to gather all the facts.

The Convener: We will receive more than a note, but will have to be satisfied with what you propose at this stage.

Members do not seem to have any more questions. We will probably need not only a note, but to have you back again soon before the committee. We have been promised a lengthy note, which is all very well, but the committee will need to interrogate you about it. Do you want to make any brief closing remarks, or simply to retire to prepare your lengthy note?

Aubrey Fawcett (Clackmannanshire Council): The promoter's memorandum identifies three objectives for the scheme. I know that we have been concentrating on some of the number-crunching issues, but I point out that the promoter and I, as its representative, see the importance of the economic and social benefits accruing to the county as a result of the scheme being given consent to proceed.

To give the committee some context about the Clackmannanshire economy, I point out that there was a 20 per cent reduction in the number of manufacturing jobs in Clackmannanshire between 1995 and 2001, which compares with a Scottish average reduction of 8 per cent in the sector during the same period. There are significant levels of unemployment, and we are the ninth worst of the 32 local authorities in Scotland in that regard. We still depend on manufacturing, which accounts for 17 per cent of employee jobs in Clackmannanshire, compared with 13 per cent in Scotland as a whole.

We have had some good news with regard to our performance in the service sector, which has grown quite well compared with the Scottish average. We have a lot to do, however, and the railway scheme forms part of the wider regeneration activities of the partners involved. It is crucial that we concentrate not only on some of the number-related issues, but on the economic and social benefits that will accrue for the people of Clackmannanshire. I stress that point, which is extremely important.

The Convener: The committee is grateful for that statement about Clackmannanshire's socioeconomic conditions.

As no one wishes to make any further remarks at this point, we will take an early lunch break. We will return at 1.45. I thank everyone for their attendance this morning.

12:36

Meeting suspended.

13:49

On resuming—

The Convener: Good afternoon, ladies and gentlemen, and welcome back to the second meeting of the Stirling-Alloa-Kincardine Railway and Linked Improvements Bill Committee. The committee will now hear oral evidence from Mr David Littlejohn, who is the team leader of the development solutions team at Scottish Enterprise.

DAVID LITTLEJOHN *made a solemn affirmation.*

Mr Gibson: In paragraph 2.1 of your written evidence, Mr Littlejohn, you describe

“The overarching vision for the future of the Forth Valley area”.

I must say that that vision is set out in terms that could apply anywhere in the country. In your view, what differentiates the Forth valley from the rest of Scotland in terms of the challenge that would need to be met to achieve that overarching vision?

David Littlejohn (Scottish Enterprise): The Forth valley is certainly different from other parts of the country. The mix of areas and economies that make up the Forth valley is unique. In that context, Clackmannanshire is different from many other parts of the country because of the way in which the local economy is underperforming. That is projected to continue over the next four or five years.

As the committee heard earlier in the meeting, overall, unemployment remains substantially higher in Clackmannanshire than it is elsewhere in the Forth valley. According to the Employment Service's September figures, the rate of unemployment was 3.5 per cent in Clackmannanshire compared with just over 2 per cent in Stirling. It is interesting how that difference translates itself. In absolute numbers, there are just over 1,000 jobseekers allowance claimants in Clackmannanshire, and there are just over 1,000 in Stirling, but the population there is more than double that of Clackmannanshire. There are substantial differences even on a very local scale. Alloa is just 8 miles from Stirling. That is one of the focuses of our actions.

Mr Gibson: That is significant. Your written evidence highlights the national and local benefits that the proposed new railway might bring, but

does it form an explicit part of the regional economic development strategy for the Forth valley? I appreciate that that might be made clear in the depths of some of the documents before us, but you will appreciate that the committee will need some help in locating references.

David Littlejohn: The economic strategy recognises that the strengths and weaknesses of the Forth valley lie in its connectivity. Stirling and Falkirk are very well connected in terms of both transport and digital connectivity. On the other hand, Clackmannanshire is one of the least connected parts of the Scottish Enterprise area, particularly given the fact that it is in the central belt. It has no motorway access, and it has only just had a main roadway upgraded. Its digital connections are pretty poor, although they are improving, and its general transport infrastructure is weak. Our feedback from potential inward investment companies is that that is a significant disadvantage in promoting the area for inward investment.

David Mundell: Paragraph 3.1 of your evidence refers, under the second bullet point, to

“the more efficient operation of the Edinburgh labour market”

being assisted by the opening of the railway. Could you explain further what you mean by that?

David Littlejohn: Scottish Enterprise generally supports the opening of the railway, for both national and local economic benefit. At a national level, we view the operation of the labour market in Edinburgh as increasingly inefficient. It is critical for Scotland's global competitiveness that Edinburgh's economy continues to thrive. That will require the ability to fill the current very large number of job vacancies in Edinburgh. That can be assisted by enhancing public transport into the city and making it easier for folks from roundabout the city to access jobs in it. That is one of the principal reasons for the comment that you highlighted. If the paths are made available—which we would strongly advocate—the railway will allow more passenger trains to run into Edinburgh. That direct access to Edinburgh will assist the current focus on Fife in particular.

David Mundell: It appears from the evidence as a whole—and particularly from paragraphs 3.1, 3.2 and 3.3—that one of the advantages that is put forward for the railway is that commuting into Edinburgh and Glasgow will be made easier. However, your submission—and indeed the submission from the previous witnesses—suggests that you want to attract investment into the area. Which of those benefits is more likely to be accessible? Furthermore, what are the short and long-term views on the scenarios that I have outlined?

David Littlejohn: We have recognised for some time that the Clackmannanshire economy is restructuring. We heard earlier that there has been a 20 per cent reduction in the number of manufacturing jobs; indeed, the area continues to lose such jobs. Furthermore, at present, the area is not particularly attractive as far as service jobs are concerned. Over the past three years, Scottish Enterprise has invested about £4.5 million in Clackmannanshire to try to reposition the economy, and much of the funding has been spent on retraining folks and creating new business premises and space. Filling that space is a medium or longer-term strategy. We acknowledge that, in the short to medium term, it is just as important to help Clackmannanshire residents to access jobs elsewhere.

I should point out that according to the Employment Service, which represents only about 30 per cent of current job vacancies, there are just under 1,200 unfilled vacancies in Stirling, which has a 2 per cent unemployment rate, and only 400 hard-to-fill or unfilled vacancies in Alloa. As a result, in the short term it is absolutely imperative to help more folks in Clackmannanshire to access jobs. The longer-term aspiration is to make this area just as attractive for inward investment. However, much of that issue comes down to folks' perception of Clackmannanshire, which they currently think is nondescript and remote. It does not feature on the radar screen, partly because of the connection issues that I mentioned earlier.

Nora Radcliffe: You mentioned unfilled vacancies in Stirling and unemployed people in Alloa. Can they not get the bus at the moment?

David Littlejohn: Yes, they can.

Nora Radcliffe: In that case, if they are not getting the bus to access those jobs, why would they get the train?

David Littlejohn: There will never be one transport solution to the problem. Indeed, all the figures suggest that a modal shift from the bus to the train might attract some individuals. Of course, that might not happen.

We should also remember that Stirling is one of Scotland's fastest-growing communities and its economy is set to outperform the Scottish economy as a whole over the next five years. That is having a quite significant traffic impact in Stirling. Metered parking has recently been extended to most streets around the city centre. As it is becoming less attractive and more difficult and expensive to drive and park one's car in Stirling, it is more likely that the modal shift for journeys into Stirling will be from car to train rather than from car to bus. However, your point is valid.

Mr Baker: In paragraph 3.2, in particular, you record a number of potential local benefits and

highlight the investment that has been made in regeneration initiatives. Do you have any indications of likely investment by companies in the Forth valley area if the rail link is built? I am thinking not so much of good intentions but of indications that companies might well invest in the area.

David Littlejohn: We are currently in discussions with two companies that are located in Clackmannanshire and potentially we will discuss the matter with a further three companies, one of which is pretty far advanced in a decision on whether to make a substantial investment in Clackmannanshire. Although those discussions are commercially confidential, I will be able to write separately to the committee with more information about that inward investment if it helps.

The Convener: That would be very helpful.

Mr Baker: As far as paragraphs 3.2 and 3.3 of your submission are concerned, what grant aid might be available to companies that want to invest by creating jobs in or transferring jobs to the Forth valley area?

David Littlejohn: The standard assistance for companies relocating into an area is regional selective assistance, which is available in Clackmannanshire on a case-by-case basis. All the support from Scottish Enterprise is based on market failure. There is a funding gap. If companies demonstrate that there is a need for the Scottish Enterprise network to provide financial assistance, we will do so within the state-aid ceiling. By and large, such funding is available for physical infrastructure work and site preparation. It is also available for training, retraining and upskilling. RSA would be the principal means of assisting inward investment by companies.

Mr Baker: In paragraph 3.3, you say that the new railway could act as a catalyst for the regeneration of Alloa town centre. As with investment in general, is there to date any clear indication of companies that are likely to invest in the town centre if, and only if, the new railway comes?

14:00

David Littlejohn: The number of available sites in the town centre that are not already under discussion is limited. However, the prospect of a railway will attract a different type of end user for the buildings there. The major site, which was the Carlsberg-Tetley brewery in the town centre, is currently under discussion for a variety of business uses. We anticipate that the completion of a railway and associated park-and-ride facilities would make the marketing potential of that site much stronger.

Mr Baker: Is that a general likelihood rather than anything specific?

David Littlejohn: It is a general likelihood at this stage because we are speaking hypothetically at present.

The Convener: Mr Littlejohn, you kindly said that you would provide us on a confidential basis with commercially confidential information. When you provide that information, could you say in it to what extent the prospect of a new railway has been a factor in persuading companies to contemplate investment?

David Littlejohn: I can. In general terms, of the three current inward investment inquiries, two companies are considering Clackmannanshire principally because of the prospect at some stage in the future of a clustering of activity. One has made a decision already and enhanced its operation. I can provide that information.

The Convener: Please go into a little more detail when you provide the information to the committee.

Nora Radcliffe: How would David Littlejohn answer the challenge that, if the railway were built, it would be a gain for commuters rather than for the economy of Clackmannanshire and the Forth valley, except in that it would underpin the future of a commuting population?

David Littlejohn: From a Scottish Enterprise perspective, making Clackmannanshire a more attractive place from which to commute is part of the economic process. The private sector housing market is underperforming in the area. If transport communications were increased, the location would become much more attractive for folks to live and invest as well as work in. The income and the spend of families that move into an area are important. Stirling has a highly pressured, highly expensive housing market. There is a need to encourage a wider commute into Stirling and beyond. There is an economic benefit from that.

Nora Radcliffe: I will go off script and ask whether you envisage any advantages for freight other than coal from the railway, if it is built.

David Littlejohn: Yes. All the opportunities that we are currently discussing are non-coal opportunities.

The Convener: Thanks, Mr Littlejohn. Do you have any brief, closing remarks for the committee?

David Littlejohn: No, I think that everything has been covered.

The Convener: I thank you very much for appearing before the committee and answering our questions. We will now suspend for one minute while we change witnesses.

14:03

Meeting suspended.

14:04

On resuming—

The Convener: The committee will now hear oral evidence from Mr Brian Ringer, freight operations manager for the Strategic Rail Authority.

BRIAN RINGER *took the oath.*

The Convener: Mr Ringer, your evidence has been extremely helpful in setting out the strategic theme for the intended rail investment. However, the committee is still a little unclear about the reasons for the SRA's support for the scheme, at least in respect of the balance between the potential advantages.

Paragraph 11 of your written evidence states:

"The route has fallen out of use over the years due to a reduction in rail journeys."

A series of helpful paragraphs dealing with potential freight and passenger needs follows. I suspect that, initially at least, getting freight—in this case, Longannet coal—off the road and back on to the railway in line with the strategic objectives that are described in paragraph 16 is driving the project. Is that a fair and objective reading of the situation?

Brian Ringer (Strategic Rail Authority): Overall, that is a reasonably fair and objective comment. However, there would also be significant advantages for passengers through providing Alloa with a passenger service.

The Convener: I think that you are the right person to answer my next question, but you should tell me if you are not. There are around 50 objections to the bill. In your experience, is that a high, low or average number of objections to a railway scheme?

Brian Ringer: I must be perfectly honest with you. I have absolutely no experience in that respect, as railway reopenings are rare in this country—that is why we are so privileged to be here. I do not intend any pun, but there is no track record in that respect.

The Convener: The pun might not have been intended, but it was well delivered. We will move swiftly on.

Nora Radcliffe: The committee will ask Scottish Power too about the matter with which I want to deal. It might be a matter of reading the evidence correctly. Paragraph 15 of your written submission describes the volume of coal that is burned at Longannet. You refer to 1 million tonnes of coal on average being delivered each year. Paragraph 5.3

of Mr Devlin's evidence mentions 2 million tonnes a year as a practical limit for transporting coal by road, using a utilisation factor of 80 per cent. Is there a real difference between you, or does the issue relate to terminology?

Brian Ringer: Mr Devlin will give evidence of his own. However, I think that he is saying that only 2 million tonnes of coal per annum can practically be transported by road and that if there was an attempt to go above that level, no more lorries would physically be able to go down the main routes, into the power station and along through the weighbridge to be discharged and then leave, even if the system worked 24 hours a day. The figure that you quoted from paragraph 15 of our submission reflects an average.

Nora Radcliffe: So two different issues are being discussed.

Brian Ringer: I have not seen Mr Devlin's evidence, but I think that he is referring to the maximum. We discussed what is probably the average.

Nora Radcliffe: Paragraph 16 of your submission states that a transfer of 1 million tonnes of coal from road to rail would make a significant contribution towards the target of 80 per cent freight growth between 2000 and 2010. In percentage terms, what would the contribution be? You might also want to deal with the question using Scottish Power's figure of 2 million tonnes of coal being transferred to rail.

Brian Ringer: I would have to get back to you with a calculation of the number of tonne-kilometres that such flows would represent. We will do the calculations and send the results to you as a further piece of written evidence. It would be difficult to do a mental calculation now.

From our discussions with Scottish Power, its coal suppliers and the freight operating companies, we are stating that, in an average year, approximately 1 million tonnes of coal are currently roaded into the power station. The primary reason that parties have given for coal being roaded into the power station is the insufficient rail capacity. Under normal economic conditions, if the rail capacity were sufficient, rail would be the preferred mode of transport for the majority of the 1 million tonnes of coal. At present, the rail market share is, in effect, capped by the level of line occupation on the routes going into Longannet power station.

Nora Radcliffe: Thank you. I look forward to receiving the results of the number crunching.

The Convener: When will those results be available? When will you be able to do the calculations and get the results to us?

Brian Ringer: I will be in my office tomorrow, so

I hope that you will have them well before the end of the week.

The Convener: Marvellous.

Mr Gibson: Paragraph 20(c) deals with the Ayr-Paisley-Glasgow-Stirling line. Perhaps I am reading the paragraph the wrong way, but did you intend to refer to Stirling? At present, no coal trains run between Glasgow and Stirling; indeed, the purpose of the new railway is to enable them to do so. Is that an error?

Brian Ringer: You are correct: no coal trains go that way at present, although they use the route as far as Carmuir, which is just south of Larbert. At present, 14 to 15 coal trains a day travel on the route from Ayrshire through Glasgow to Carmuir, but they then have to go via the outskirts of Edinburgh and across the Forth bridge. We were trying to make the point that the same number of pathways on the route via Stirling would be able to cope with the volume of coal into Longannet. I am sorry if the paragraph was a little imprecise.

Mr Gibson: My next question also relates to paragraph 20(c) in the submission. One of the new railway's advantages, which has been canvassed about, is that passengers will be able to travel from Alloa to Glasgow via Stirling. However, I have not seen any information on the pathing capacity of the line for passenger trains. You say that there are to be 14 coal trains a day between the Ayrshire coast and Longannet, but paragraph 6 of Network Rail's submission sounds a cautionary note on additional capacity.

Brian Ringer: Network Rail has taken a cautious stance. We are talking with Network Rail about upgrading work that might be required in the Stirling area and further south to permit the pathing of those trains. Our point in paragraph 20(c) is that, given the improved operational characteristics of coal trains that use more modern rolling stock, they would be better able to run in conjunction with the passenger service on the Larbert to Stirling section of line than would present coal traffic, which is limited to 45mph when loaded and 60mph when empty. Modelling work has been done to determine whether capacity on the line is sufficient to allow coal trains to be run. That work has found broadly that the trains can be run, although some signalling work may be required to cope with that.

David Mundell: In his evidence, Mr Devlin of Scottish Power casts some doubt over the future viability of Longannet power station—no doubt we will go over that later in more detail. As we have heard from the promoter of the bill, projections are based on the assumption that Longannet will close in 2020, although the possibility of a closure in 2012 has been raised. If the life of Longannet is to be as short as that, would you still support the bill?

Brian Ringer: In terms of railway operational factors, we would still support the bill. Of course, it is for Scottish Power to say what the life of Longannet power station might be. We might have a view on that, but I am not in a position to gainsay the evidence of Scottish Power. I can say that, given that Longannet is the second largest coal-fired power station in the country, it makes considerable input to the national grid but, nonetheless, Mr Devlin's thoughts are the most relevant in relation to that matter. Similarly, I must defer to the promoter of the bill on the financial effect of the bill.

14:15

David Mundell: If there were no obvious case to be made in relation to the freight benefits of the bill, would the SRA still support the bill in order to create passenger links between the Forth valley and Glasgow?

Brian Ringer: If there were a financial case to be made for such a passenger service, we would support the bill. At the moment, however, the proposal involves freight and passenger services—both aspects are linked and have not been separated.

David Mundell: Would it be a strategic objective of the SRA and the Government to open a passenger line?

Brian Ringer: It is not a question of strategic importance, although such a line would certainly align with the SRA's strategic objectives. David Mundell is beginning to enter the financial debate about whether there would be payback such as would make investment in the line worth while.

Mr Baker: In paragraph 23 of your submission, you say that ScotRail is currently procuring some additional rolling stock. That seems to be a little brave in advance of the bill's being agreed to. Is that a general procurement or a specific procurement for the proposed railway?

Brian Ringer: I work in the freight operations department, but I have received a short briefing from my colleagues in the passenger operations department. As I understand it, the rolling stock that Mr Baker mentions is part of a larger purchase of rolling stock. It therefore made operational and commercial sense to place one order for rolling stock as part of the general expansion of rolling stock for ScotRail services.

Mr Baker: In paragraph 24 of your submission, you say:

"Bidders for the new ScotRail Franchise have been asked to offer 'menu prices' for operating the Alloa extension, but it is expected that a marginal price will be offered."

What does that mean?

Brian Ringer: Again, I say that my passenger operations department colleagues could explain that better. However, as I understand the situation, the service to Alloa would in effect be an extension to Alloa of the Glasgow to Stirling terminating service once the new line was opened. Rather than its being a completely new service from end to end, it is a marginal extension, which is why the costs are seen as being marginal.

The Convener: In paragraph 25 of your submission you address the new station in Alloa. Network Rail or the promoter might be better placed to answer my question, but who do you think will operate the new station?

Brian Ringer: I agree that that is a question that would be better answered by the promoter of the bill. I do not know the answer to it.

The Convener: That is an honest answer. Would you like to make some closing remarks?

Brian Ringer: The SRA freight directorate whole-heartedly supports the opening of the Stirling-Alloa-Kincardine line. We think that the scheme has the potential to deliver a greater reduction in heavy goods vehicle miles in the UK than any other scheme that we currently have under consideration. To move by rail 1 million tonnes of coal that are presently moved by road will bring about a large increase in environmental benefits through reduction of emissions, congestion, noise and accidents. The benefits will be spread throughout a wide area of Scotland from Ayrshire through the central belt to the Forth valley, so we commend the scheme heartily.

The Convener: Thank you on behalf of the committee for appearing before us and answering our questions, where you were able. If you wish to return to the body of the hall, you are more than welcome to stay for the rest of the meeting. There will now be a one-minute suspension while we change witnesses.

14:20

Meeting suspended.

14:21

On resuming—

The Convener: The committee will now take oral evidence from Mr Kevin Devlin, director of ScottishPower Energy Management Ltd, and Mr Ron Hunter, business services director of ScottishPower Generation Ltd.

KEVIN DEVLIN and RON HUNTER took the oath.

The Convener: I will kick off, if that is okay. Before we move on to the main issues, we note that Scottish Power in the form of Power Systems

Ltd has objected to the bill. That seems to be a bit peculiar to us. Would you care to comment on that? How would you characterise Scottish Power's attitude to the bill?

Kevin Devlin (ScottishPower Energy Management Ltd): In the first instance, Scottish Power is broadly supportive of the bill. We have been careful to point that out at the beginning of any objections that we have raised. Power Systems Ltd is our regulated wires business, which provides transmission and distribution network services throughout Scotland. In its capacity as a separate and regulated part of the business—compared to where I work—it has raised specific objections pertaining to wayleaves and the movement of transmission lines. I believe that its objections have been raised on grounds of safety and other factors to do with its interests. I would not say that that undermines Scottish Power's overall support for the bill.

The Convener: I am grateful for that clarification.

David Mundell: The longevity of Longannet power station is one of the key issues in our consideration of the general principles of the bill. It is important that the committee is satisfied about the realistic lifespan of Longannet power station. Your evidence helps us, given that I think that it is an honest appreciation of the difficulties of the power station. As you will appreciate, the committee needs to be clear about the need for the development on the promoter's evidence and the benefits of taking Longannet coal away from existing rail links and from road on to the newer railway, which have been advanced as major advantages. Perhaps you could give us an overview of your appreciation, based on current and foreseeable circumstances, of the realistic lifespan of Longannet power station.

Ron Hunter (ScottishPower Generation Ltd): The factors that will determine the outlook for Longannet power station are mainly to do with emissions constraints and the concerns that exist about emissions of sulphur dioxide, oxides of nitrogen and carbon dioxide. Coal-fired generating plant is deemed to be fairly polluting, so increasingly stringent controls are coming in through a number of legislative instruments, the large combustion plant directive being one of them.

Our current view, based on all the knowledge that is available to us, is that Longannet is unlikely to generate beyond 2016 because of a tranche of oxides of nitrogen—NOx—constraints that will come in at that time. I believe that, prior to that, we can be quite confident of generating until about 2012, so the most likely outcome for Longannet power station is a closure date between 2012 and 2016. However, I must qualify that by saying that

there is a great deal of uncertainty about where the legislative emission limits will head. Therefore, if our forecasts are not deemed to be accurate in a few years' time, when we get more clarity on the pollution prevention and control legislation, for example, those forecasts could change. Based on what we know at the moment, however, the period between 2012 and 2016 is likely to see the end of Longannet power station.

David Mundell: Would it therefore be fair to say that there is zero prospect of the plant's going on beyond 2016?

Ron Hunter: That prospect is very limited. On current projections, we would have to invest several hundred million pounds to make Longannet compliant with the NOx legislation that will come in around 2016. By that time, Longannet will be 40 to 50 years old, and it does not look as if we could make the economic case for its continuing.

David Mundell: What are the prospects of its going on even until 2012?

Ron Hunter: Under the large combustion plant directive, Longannet could take an option to run for 20,000 hours from 2008 and then close. That would take us to about 2012, give or take a year, based on our current projections of load factor. That is, if you like, our base case. On balance, we think that Longannet should be around until at least 2011 or 2012 and perhaps on towards 2016. However, as I said, we do not yet know what the impact of the pollution prevention and control legislation will be and we are not quite sure what the value of carbon trading permits will do to coal-fired plant, so there must be some qualification around those statements.

David Mundell: In relation to the period from 2008, am I right in thinking that there would be a reduced operation compared to the current situation?

Ron Hunter: That will depend on when and how we take our option of the 20,000 hours. A period of 20,000 hours to closure would give Longannet a reasonable load factor that was not radically different from that which it currently enjoys. It would not make a radical difference to the operational performance of Longannet power station, but we could take our 20,000 hours in the early period after 2008 or we could bank hours for later. Matters will depend on which of those options we choose, but it would not make a huge difference to the operational situation at Longannet.

David Mundell: If you used the hours early, would that bring forward the possible closure date?

Ron Hunter: Yes. When we had used 20,000 hours, we would have to close. If the 20,000 hours are not used early, they can be stretched out until 2016. That is one of the options that are open to Scottish Power.

David Mundell: Do you understand my concern about the inherent contradiction between what you are saying and the 30-year projection that is used in some of the promoter's material?

Ron Hunter: I have discussed that back at base and with Kevin Devlin, and we are not aware that Scottish Power has ever taken the view that Longannet would exist beyond 2020. In our communications, we have certainly focused on 2020 as being a possible date, but the increasing impact of emissions legislation is likely to bring the date of the plant's closure forward.

David Mundell: To recap, rather than say that there are no circumstances in which the plant would go on for 30 years, would you say that you can envisage no circumstances in which it would go on beyond 2016?

Ron Hunter: That is unlikely, based on the information that we have. If the price that we get for our output improves significantly, we could begin to make an investment case for fitting abatement to Longannet power station to enable it to comply with emissions legislation. That can be done; there are technologies that would abate Longannet and make it compliant from 2016. However, based on our forecast of where the wholesale price of power is heading, we do not see that case washing its face in any middle scenario-type ground that we could see as reasonable.

David Mundell: So is the most realistic assessment 2012?

Ron Hunter: The most likely outcome for Longannet is 2012 to 2016.

David Mundell: Thank you.

Mr Gibson: You will appreciate that we are not experts on electricity generation and the electricity market, so I ask you to forgive a request for clarification.

Paragraph 3.3 of your submission refers to operating "at lower load factors". I presume that that means that you will seek to cater for a lower level of demand and that therefore less coal will be required.

Kevin Devlin: That is correct.

Mr Gibson: Fine.

Nora Radcliffe: A lot of the matter revolves around the price of wholesale electricity and what would make it economic to invest in Longannet to prolong its active life—if we are not talking about

dog food. If flue gas desulphurisation was an economic prospect, by how long would it extend the working life of Longannet? Would it extend its life indefinitely?

14:30

Ron Hunter: That would not extend the plant's life indefinitely because we would also need to invest in selective non-catalytic reduction technology to address the NOx emissions. Two acid rain gases are implicated in coal-fired generation—one is sulphur dioxide, which would be addressed by investment in flue gas desulphurisation, and the other is oxides of nitrogen, which would be addressed by investment in SNCR. If we fitted FGD it would solve half of our emission problems. We would still have the problem of 2016 and the impact of the NOx factors.

Nora Radcliffe: When does the sulphur thing kick in? You say that dealing with sulphur will take you to 2016. If you do not deal with that problem, when would you stop?

Ron Hunter: We could operate at increased load factor until 2016 if we fitted FGD, but we would then be bitten by the NOx legislation.

Nora Radcliffe: How much is the sulphur content of what is given off determined by the coal that is burned? If you were looking for low-sulphur coal, would that mean that you would not use Ayrshire-mined coal, but coal imported through Hunterston?

Kevin Devlin: That is correct. We are becoming more and more burners of imported coal rather than indigenous coal. That is because, for a given sulphur cap, if we can source lower-sulphur coal we can run more frequently than previously.

Nora Radcliffe: In importing coal, would that necessarily be done through Hunterston or would other ports make more economic sense?

Kevin Devlin: We signed a deal recently with Clydeport, which underpins Hunterston's being the cheapest import source for Longannet by a wide margin.

Nora Radcliffe: I do not know whether it is fair to ask this question, but can you give a ballpark figure for how much the wholesale price of electricity would have to go up to make the NOx process and desulphurisation economic? Would it have to go up by a huge amount or marginally?

Ron Hunter: It would have to increase quite significantly. As many people know, the price has been depressed in recent years, which has led to some companies getting into difficulty.

Kevin Devlin: Forecasting the price of electricity has historically been very difficult.

Nora Radcliffe: That is a masterly understatement.

Kevin Devlin: It has been very difficult indeed. You can postulate scenarios where you get into investment territory for those kinds of technologies. The market has crashed considerably since the introduction of the new electricity trading arrangements. Our view, looking forward, is that the electricity market is getting tighter. There is less capacity around and we see the prospect of rising prices. The more difficult question to answer is how high they will go.

Nora Radcliffe: How high would prices need to go to extend the working life of Longannet? Would they need to increase by 5 per cent, 10 per cent, 20 per cent or is that like asking how long is a piece of string?

Kevin Devlin: The price would have to increase significantly from current levels—perhaps by as much as 50 per cent, but that is very much an estimate.

Mr Baker: In paragraphs 5.3 and 5.4 of your submission you discuss the relationship with the local community and the benefit of taking coal traffic off the road for the quality of life of those who live in the vicinity of Longannet. You may have seen the objections from those who live in the Alloa area about the noise and disturbance that will be created through construction and operation of a new railway. Has Scottish Power investigated that issue in the context of its providing support for the scheme?

Kevin Devlin: At the highest level, we think that the prospect of one coal train per hour is preferable to numerous lorries going down the road. That would appear to be more efficient use of logistical infrastructure and would involve less movement in a particular period of time. Road traffic is a difficult issue for the community in terms of noise, pollution, dust and general traffic access around, for example, Kincardine village.

Mr Baker: Do you get complaints about that?

Kevin Devlin: We have an active dialogue with the community about the level of road transport that goes into Longannet.

Mr Baker: What is the community's feedback? Are there at least some people who say that they want the railway to go ahead because it will reduce the level of road transport? Does most of the feedback oppose the railway?

Kevin Devlin: I believe that we have significant support from the Kincardine community for road traffic's being taken off the roads and rail traffic's being introduced.

Mr Baker: But the whole area does not support the railway.

Kevin Devlin: I cannot speak for everybody. Obviously, our focus is on the area around Longannet power station; that is where we spend most of our time in terms of community involvement.

Mr Baker: In paragraph 5.2 of your submission you say that, because of the Forth rail bridge's limitations, each train currently has a capacity of 850 to 860 tonnes. However, paragraph 18 of the SRA's evidence states that the maximum payload per train is 960 tonnes. Can you clarify whether the difference in figures is a result of using different terminology?

Kevin Devlin: I wonder whether the difference arises from the use of different locomotives. I can check that and get back to the committee.

The Convener: When will you be able to do that?

Kevin Devlin: Before the end of the week.

The Convener: That is fine. Thank you.

Nora Radcliffe: Can I go back to your agreement with Clydeport? Clydeport has committed to delivering up to 5 million tonnes of coal a year to service Longannet. Do you have a minimum-take obligation under that agreement?

Kevin Devlin: Yes. We have a minimum take for all seven years of the deal.

Nora Radcliffe: So there would be a reason for you to utilise the new railway line to its full extent, if and when it was delivered.

Kevin Devlin: Absolutely. There is a strong economic imperative for us to use that particular deal. We revealed publicly in the press statements at the time of the agreement that there were significant savings for Scottish Power in the deal. It is very unlikely that we could find an economic alternative to the deal. The vessels that come into Hunterston are typically very large, being between 150,000 and 180,000 tonnes. No other port in Scotland is suited to that kind of large bulk carrier.

Nora Radcliffe: So Hunterston is going to be the place and the railway is the best way.

Kevin Devlin: Yes.

The Convener: I have a final question, which arises from evidence that we heard this morning. What formal or informal contact has there been between the bill's promoter and Scottish Power?

Kevin Devlin: We had initial discussions more than a year ago with the SRA and the Scottish Executive regarding the railway line. We then engaged with Clydeport and other logistics providers to do the deal that we have just talked about. Since then, discussions have mainly been between Clydeport and the promoter.

The Convener: So you have not really had any direct contact since then?

Kevin Devlin: Not recently.

The Convener: When was the last time, approximately?

Kevin Devlin: We have occasional telephone conversations. We certainly had one about a month ago.

The Convener: Have you communicated in any sustained fashion?

Kevin Devlin: No.

The Convener: Okay, I am grateful for your answers. Would you like to make any brief closing remarks to the committee?

Kevin Devlin: No, thank you.

The Convener: In that case, I thank you for appearing before the committee and for answering our questions. You are more than welcome to go back into the body of the hall and remain for the rest of the meeting.

There will be a one-minute suspension while we change witnesses.

14:38

Meeting suspended.

14:40

On resuming—

The Convener: The committee will now hear oral evidence from Mr Alan Macmillan and Mr Kevin McCallum, who are respectively commercial development manager and commercial schemes sponsor for Network Rail.

ALAN MACMILLAN and KEVIN MCCALLUM took the oath.

Mr Gibson: Your written evidence for the purposes of the preliminary stage helpfully describes the advantages of the scheme, but I have one or two questions. Paragraph 4 states:

"any reduction in coal traffic using the Forth Railway Bridge will assist the reliability and quality of the passenger services being offered."

When will paths be released for passenger traffic? I presume that there is a contract with the freight rail provider for Longannet and that that provider would have to release the paths.

Alan Macmillan (Network Rail): First of all, there will be front-end performance benefits from moving the slow-moving freight traffic, which may run in front of the faster-moving passenger traffic. In theory, train paths will be freed up and made available, but it is up to the freight operating

company that currently has those paths to comment on whether it will give them up.

Mr Gibson: Indeed, but I want to stick with my next point. We are dealing with a free market. Scottish Power could decide to hedge its bets and retain some or all of its Forth bridge paths as well as utilising the new railway and keeping open the option of taking coal by road. Is that a realistic possibility, or is there some mechanism to prevent that from occurring?

Alan Macmillan: We could not comment on that, as we are not in the business of placing our customers in competition with each other.

Mr Gibson: Okay. That is an interesting point.

Nora Radcliffe: I seek clarification. Even if the rail freight operator does not give up its train paths over the Forth rail bridge, provided that slow trains are not being used will the scheme still give more reliability and a bit of headroom and capacity?

Alan Macmillan: Most definitely, yes.

David Mundell: Paragraph 6 of Network Rail's written evidence notes that the diversion of Longannet coal traffic via Stirling could be accommodated without too much difficulty in the context of current passenger and freight timetables. However, you say that beyond that stage, there will be very few spare timetable paths for additional services on that section of the route. To the extent that you can make any calculation at this stage, can you say how many paths will be available?

Kevin McCallum (Network Rail): I can answer that one. We have discussed that with the promoter. The promoter has undertaken timetable modelling, which we have seen part of, but another part has yet to be sent to us for us to assess. Until we have done that, it would be wrong of us to quote a number to you. Our timetable planners need to see the final results of those modelling studies.

David Mundell: But would we be right in suggesting that there appears to be little headroom to create new passenger services between Alloa and Glasgow via Stirling?

14:45

Kevin McCallum: No, that is not what we are saying. Mr Ringer from the SRA has already explained this but, if I may recap, the vast majority of coal traffic to Longannet at the moment travels over what we call the Scottish central route, from either Mossend yard or Ayrshire via Coatbridge. It goes on the Scottish central to Carmuir's west junction, then it heads east through Falkirk on to the Edinburgh to Glasgow main line, and eventually ends up at the Forth bridge. We are

saying that once we start running coal trains up beyond Carmuir's west towards Stirling, it will reduce the number of free paths that we have available to other operators—not just passenger operators but freight operators—on that portion of the Scottish central to Stirling. That is what we are saying in that paragraph.

David Mundell: Okay.

The Convener: One of the witnesses referred to the building of a new high-quality station at Alloa. Will Network Rail operate that station?

Alan Macmillan: Network Rail is not necessarily the operator in terms of the Railways Act 1993. We see ourselves becoming the owner of the asset. We see the operator being the train operating company, which would lease the station from us.

The Convener: Okay.

I have another couple of questions, one of which arises from evidence that we took this morning from Mr Paul Irving, who is the parliamentary agent for the promoter. In his supplementary memorandum, which we received today, Mr Irving referred us to yourselves to reconcile an apparent discrepancy between paragraph 15 of the promoter's memorandum and paragraph 11 of your memorandum. The apparent discrepancy is that you take the view that flood prevention and coast defence works are within your existing statutory powers for this railway. Can you help the committee to resolve that small point?

Alan Macmillan: It depends on the end design. If the end design is such that the works are contained within our existing land holding, I contend that it is permitted development. If the end design takes the works outwith our land holding, it falls outwith our powers.

The Convener: So there is much to be said on both sides.

Alan Macmillan: Yes.

The Convener: Finally, has any concrete interest been shown in operating new passenger services across the Forth bridge or between Stirling and Glasgow, if the scheme proceeds?

Kevin McCallum: As you may be aware, the Scottish Executive, wearing another hat, is furthering platform extensions. The new trains that were talked about earlier today are part of that package. If we could offer a large number of paths in the east of Scotland, there is no doubt that some of the passenger operators would wish to run additional trains. At the moment that is not possible, which is why the Executive is promoting platform extensions and longer trains in peak hours.

The Convener: But there is potential.

Kevin McCallum: Yes, there is potential, but other things would require to be done on the network.

The Convener: Other parts of the jigsaw would have to fall into place.

Kevin McCallum: Absolutely.

The Convener: Do you wish to make any brief closing remarks?

Kevin McCallum: No.

The Convener: Thank you for appearing before the committee and for answering our questions. You may of course return to the body of the hall to listen to the rest of the proceedings.

14:49

Meeting suspended.

14:50

On resuming—

The Convener: The committee will now hear evidence from Mr Robert Samson and Mr James King, who are respectively secretary and deputy convener of the rail passengers committee Scotland.

ROBERT SAMSON and JAMES KING took the oath.

Mr Gibson: Your evidence has cast helpful light on areas about which the committee needed further information. I have one or two little points to make that follow on from the evidence that Mr Macmillan and others gave.

Section 4 of your written evidence describes the potential benefits of the scheme in relation to future passenger traffic between Alloa and Glasgow. However, we have heard that if the scheme is fully implemented in relation to freight, there might be few opportunities to increase passenger paths between Stirling and Glasgow. Do you want to comment on that?

James King (Rail Passengers Committee Scotland): At this stage, the key is to get the service up and running on the existing timetable path, using the planned layover on the Stirling to Glasgow service. We can then consider how the service might develop as signalling improvements are made and, perhaps, as faster trains come on stream. We have heard witnesses from Network Rail talk about potential signalling improvements, which might create more capacity. We have also heard about the new trains that will be brought in, which will operate at higher speeds and so might create more capacity.

Mr Gibson: So any developments will definitely have a knock-on effect on the improvement of the layout, in particular the northern half of the Glasgow to Stirling section of the railway.

James King: Yes, there will be knock-on effects. Because of the growth in passenger traffic throughout the UK—a 38 per cent increase since 1995—there is pressure throughout the network. The situation is not unusual; the key is to have the capability to get the service up and running.

David Mundell: You have heard the evidence that witnesses from Scottish Power gave about the difficulty of predicting the length of life of Longannet. I appreciate that your remit is to consider passenger rather than freight services, but if you thought that Longannet was to close as early as—or even earlier than—2012, would you support the bill nonetheless, because of the benefits that the scheme offers in relation to future passenger services and the possibilities for new services?

Robert Samson (Rail Passengers Committee Scotland): Yes. The bill should still be supported, on the basis of the benefits that the scheme would bring for potential passengers. The knock-on effects of the scheme would benefit a wide range of passengers in Scotland, including those who use the existing network to travel from Fife to Edinburgh over the Forth rail bridge and passengers as far west as Ayrshire, whose services would improve as a result of the faster freight trains that would travel between Hunterston and Longannet.

My colleague James King referred to the 38 per cent increase since 1995, and that trend will continue. In our evidence, we mention that the “Scottish Strategic Rail Study” final report that was done by Steer Davies Gleave for the Scottish Executive intimated that there would be a further increase of 35 per cent by 2020 due to background demographic changes. From the passengers’ perspective, it is essential for the line to go ahead.

David Mundell: Can you put the proposed line into the Scottish context or the UK context? If the line carried services for passengers only, how important would it be relative to the overall development of the network?

Robert Samson: It would be important to the development of the network, not only because of the benefits for passengers but because it would go some way towards meeting the Scottish Executive’s aspirations for public transport through a substantial increase in investment in the network during the next three years. Our position on potential passengers considers the consumer principles of passenger access to the network and choice. My fingers are crossed when I talk about comparisons between roads and the rail network, and safety concerns also have to be taken into account—whenever I mention that issue I feel that I could be tempting fate. More access and choice will be made available for both existing and potential passengers.

The Convener: As there are no further questions, gentlemen, do you want to make a closing statement?

James King: In the light of our earlier comments, we support whole-heartedly the transfer of ownership of the new station at Alloa to Network Rail and the operation of the station to the ScotRail franchise holder. That will ensure that customer care standards will be maintained at a high level—by customer care, I mean ticket sales, information provision and so on. Prestwick station is anomalous in Scotland because it is owned by the airport authority and considerable problems have accrued because it is not run by the ScotRail franchise holder or owned by Network Rail. We do not want that situation to be repeated at Alloa.

The Convener: Thank you for taking part and answering our questions. I thank everyone for coming today. The third meeting of the Stirling-Alloa-Kincardine Railway and Linked Improvements Bill Committee will take place here in Alloa a week today. The committee looks forward to returning to Alloa on that date.

Meeting closed at 14:57.

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