

**REPORT TO: CITY DEVELOPMENT COMMITTEE - 8 FEBRUARY 2010**

**REPORT ON: RAIL FREIGHT POLICY DEVELOPMENT CONSULTATION**

**REPORT BY: DIRECTOR OF CITY DEVELOPMENT**

**REPORT NO: 23-2010**

## **1 PURPOSE OF REPORT**

- 1.1 This report outlines the purpose, content and proposals contained within the Scottish Government's Rail Freight Policy Development Consultation and Dundee City Council's response.

## **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee note the purpose, content and proposals contained within the consultation and endorse Dundee City Council's response contained within Appendix 1 which had to be returned to the Scottish Government by 23 December 2009.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications arising as a result of this report.

## **4 BACKGROUND**

- 4.1 The Scottish Government have published a consultation document relating to Rail Freight Policy as this is to assist in establishing the long term vision for rail in Scotland. The Government's Economic Strategy sets out the purpose of Government as being to create a more successful country with opportunities for all to flourish through increasing economic growth. The rail network plays an important role through the efficient movement of goods. Development of policy that supports and encourages increased modal shift to rail from less sustainable modes of transport will contribute to the Scottish Government target to achieve a reduction in emissions by 80% by 2050.
- 4.2 The aim of this consultation is to determine the key challenges and opportunities that exist to further develop rail as a mode of transport for freight. It will add to the evidence base for rail freight policy to assist in strategic planning for the rail industry, to inform decisions on Government investment in rail and to contribute to the planning of Network Rail's High Level Output Specification (HLOS) in Scotland in future.
- 4.3 The Rail Freight consultation focuses on the following areas. The consultation document can be found at - <http://www.transportscotland.gov.uk/files/documents/reports/j11289/j11289.pdf>
- the current market;
  - how the modal shift contributes to the aims of the Scottish Government;
  - what the benefits are of moving freight by rail;
  - what the obstacles are to moving freight by rail;
  - current interventions and incentives;
  - options for intervention; and
  - proposals for action.

Appendix 1 to this report sets out the Councils response to the Consultation Document. This response has to be submitted by 23 December 2009 and was subject to final approval by this Committee.

## 5 POLICY IMPLICATIONS

5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. The major issues identified are:

a Sustainability

Rail Freight initiatives promote the use of a more sustainable mode of travel. This is directly beneficial to the environment as it can reduce emissions by removing freight from the road.

b Strategic Environmental Assessment

Rail Freight is a sustainable form of travel that will assist in improving the environment.

c Anti-poverty

There are no implications in relation to this report.

d Equality Impact Assessment

There are no implications in relation to this report.

e Risk Management

There are no implications in relation to this report.

## 6 CONSULTATIONS

6.1 The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and Assistant Chief Executive have been consulted and are in agreement with the contents of this report.

## 7 BACKGROUND PAPERS

7.1 There are no background papers of relevance to this report.

Mike Galloway  
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29 January 2010

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**APPENDIX 1****RAIL FREIGHT POLICY DEVELOPMENT CONSULTATION****CONSULTATION QUESTIONS**Question 1

Do you agree with the need for encouraging increased modal shift to rail for freight?

Dundee City Council Response

Dundee City Council agrees that there is a need for encouraging increased modal shift towards rail freight. The Council considers that moving additional freight by rail is a more sustainable method for transporting goods and materials medium to long distances throughout the country when comparing it with equivalent road based methods. The Council is working with Partners to develop a possible rail freight facility in the port of Dundee that in future would allow more freight to be transferred from road to rail. This project would assist in meeting the Scottish Government aims in increasing freight modal shift from road to rail. The port of Dundee plays an important economic role and the Council is supporting this by improving accessibility to the road network. These improvements would assist the development of a Rail Freight facility in the port.

Question 2

Have we accurately captured the benefits of freight movement by rail?

Dundee City Council Response

In general the Council considers that the benefits have been covered adequately although the reduction of road based freight would also reduce road accidents involving HGVs. It is noted that further research is to be undertaken on the impact of freight on the road and rail networks and this is welcome. Road based freight causes a disproportionately high level of damage to infrastructure in relation to other traffic and any reduction in volumes would be a positive step in reducing the maintenance burden on roads authorities.

Question 3

Have we identified all of the obstacles to the expansion of rail freight movement?

Dundee City Council Response

Dundee City Council considers that the obstacles have been adequately identified, and given the current economic climate it is crucial that the rail industry and government work together to remove these obstacles.

Question 4

Have we identified all of the obstacles to modal shift to rail?

Dundee City Council Response

See answer 3.

Question 5

Which of the barriers, if overcome, would be conducive to rail freight expansion?

### Dundee City Councils Response

Dundee City Council considers that the main barriers to encouraging rail freight expansion relate to the capital and revenue costs associated in providing the necessary infrastructure and covering its operating costs. Given the economic downturn the private sector is more sensitive to changes in costs and to make rail a more attractive option for shifting freight it must be competitive in financial terms. An expensive rail freight system will not be a viable alternative for the majority of businesses and will not expand to meet government objectives.

### Question 6

Are there any types of traffic/scenarios where the rules or processes of the Freight Mode Shift Grant Schemes operated by the Scottish Government Transport Directorate have proved to be an obstacle to securing traffic to rail?

### Dundee City Council Response

Dundee City Council is not aware of any processes or rules relating to the above grants operated by Scottish Government that have proved to be an obstacle in securing traffic to rail.

### Question 7

Do you consider that intervention is required, in addition to the current incentive schemes, to encourage modal shift? Please give examples of interventions that may contribute to the desired outcomes.

### Dundee City Council Response

Dundee City Council considers that the current limited movement of freight by rail suggests that intervention is required to encourage modal shift from the roads. This is probably related to the high capital costs of rail infrastructure to support rail freight facilities and their operating costs. It is suggested that all funding options should be considered in support of rail freight, however, it is equally important that all costs are minimised to ensure that facilities are procured as efficiently as possible. Additionally, it is important for the government to encourage and be flexible in identifying real opportunities that arise in specific areas of the country, for example, at Dundee Port.

### Question 8

Are our proposals for actions suitably allocated to the appropriate sector or organisation?

### Dundee City Council Response

Dundee City Council considers that both local authorities and Regional Transport Partnerships should be involved as stakeholders as they have transport related responsibilities and powers that may have an impact on the delivery of rail freight facilities which could generate modal shift from road to rail.

### Question 9

Are you, or your organisation, ready to play your part in achieving these desired outcomes?

### Dundee City Council Response

Dundee City Council are willing to play a positive and supportive role in achieving the desired outcomes.

Question 10

Do you consider anything further can be done to encourage a modal shift to rail for freight? By Whom?

Dundee City Council Response

Dundee City Council has no further comments to make.