

## **CBI SCOTLAND RESPONSE TO THE GENERAL PRINCIPLES OF THE GLASGOW AIRPORT RAIL LINK (GARL) BILL**

### **Introduction**

1. CBI Scotland welcomes the opportunity to contribute to the Committee's consideration of the GARL Bill. We will focus our comments, as the Committee requests, on whether a new railway service between Glasgow Airport and Glasgow Central Station is a sensible policy to pursue.
2. We represent the interests of over 26,500 businesses in Scotland from every sector of industrial and commercial activity. Transport policy holds significant influence over the degree of success that these businesses can achieve in Scotland and internationally. We have long supported the creation of a rail link to Glasgow Airport, most recently calling for this in our business manifesto<sup>1</sup> prior to the 2003 Scottish Parliamentary Elections, and recognise its role in delivering a fully integrated and coherent national transport infrastructure.

### **GARL's Impact on International Connectivity**

3. As Scotland's businesses continue to compete in an increasingly international marketplace, ease of access to suppliers and customers becomes even more critical.
4. We believe that the biggest benefit of a rail link to Glasgow Airport will be the development of Scotland's international connectivity. If built, the airport rail link would generate greater commercial investment such as influencing new airlines to offer services to / from Glasgow Airport and also in persuading existing airlines in servicing new routes. This has two significant benefits to Scottish businesses:
  - New routes would attract more visitors to Scotland (this will be discussed in more detail later)
  - Regular business travellers would have access to more destinations, limiting the requirement to travel through highly congested interlining airports such as Heathrow or Amsterdam
5. Greater commercial connectivity and success on the international stage is crucial to Scotland's future economic prosperity.

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<sup>1</sup> 'Scotland's Economy: An Agenda for Growth', CBI Scotland 2003



## **GARL's Impact on the Local Economy**

6. In addition to laying a platform for increased global success for Scottish businesses, the rail link would also enhance the competitiveness of businesses located in the west of Scotland. The proposed line improvements would create extra line capacity, providing an opportunity to enhance services on the Ayrshire and Inverclyde lines. There are three clear benefits here:
  - The extra capacity will positively influence current problems with overcrowding on existing services
  - Businesses in the west of Scotland would benefit from an expanded pool of labour as employees will have improved transport options
  - Improved transport links are an important feature in attracting inward investment<sup>2</sup>
7. The Glasgow Airport Rail Link is a particularly important opportunity for one of Scotland's key industries – tourism. It has been suggested that a rail link to Glasgow Airport would help attract 52,500 additional UK and overseas visitors and contribute approximately £10 million in additional visitor expenditure in Glasgow, Renfrewshire and Inverclyde<sup>3</sup>. When the GARL Committee consider the general principles of the GARL Bill, the positive impact it will have on the tourism sector must be acknowledged.
8. We would also highlight the growth potential of Glasgow's already lucrative conference sector business. Improved access to and from facilities such as the Scottish Exhibition and Conference Centre strengthen Glasgow's existing domestic and international appeal as a conference location.
9. Glasgow Airport itself is a significant contributor to the local economy. Generating approximately 5000 direct jobs and 15000 indirect jobs<sup>4</sup>, these figures will increase as passenger numbers grow. The rail link would improve access to and from the airport for workers and increase the available labour pool for companies working at Glasgow Airport.

## **GARL's Impact on Existing Modes of Transport**

10. The Scottish Executive's Air Route Development Fund of £14.4m over the period 2005-06 to 2007-08<sup>5</sup> is one initiative that is supporting an increase in passenger levels at Glasgow Airport. Support for routes, such as the Glasgow to Berlin route (expected to commence on the 3<sup>rd</sup> May 2006 and operated by easyJet), must be complemented by improved travel links between Glasgow Airport and Glasgow city centre.
11. In 2003 8.2 million passengers used Glasgow Airport. The DfT have forecast that this number could grow to 15 million by 2030 and airport operator BAA

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<sup>2</sup> CBI/AA 'Survey of Local Economic Development Officers – Transport Links and Inward Investment Competitiveness' (1998)

<sup>3</sup> Glasgow Airport Rail Link, Draft Final Report 2: Assessment of Wider Economic Benefits (March 2005), Roger Tym & Partners

<sup>4</sup> Glasgow Airport Rail Link, Draft Final Report 2: Assessment of Wider Economic Benefits (March 2005), Roger Tym & Partners

<sup>5</sup> [www.scotland.gov.uk](http://www.scotland.gov.uk)

claim that this figure could be as high as 24 million by 2030<sup>6</sup>. Whichever figure you believe is most accurate, two things are clear:

- Passenger levels at Glasgow Airport are rising at a significant rate and;
  - The current transport infrastructure that provides access to and from Glasgow Airport for passengers will become further strained year-on-year to 2030
12. Passengers are currently limited by a lack of travel options to and from the airport. Bus services, taxi services and private cars all combine to congest the M8 corridor between the airport and city centre, something that has been exacerbated in recent weeks due to the ongoing road maintenance on the M8 in this area. Unfortunately delays are commonplace, roadworks or not.

### **Cost Implications**

13. The project is estimated to cost £160 million (2004 prices) and the effects of inflation post 2004 must be accounted for<sup>7</sup>. This is obviously a significant strategic investment and we await with interest the final funding details.
14. Considering that the remit for this consultation is to ascertain whether the Glasgow Airport Rail Link is a sensible policy to pursue, it is important to draw the Committee's attention to the financing of the rail link once it is operational. The sustainability of the rail link is particularly important. Ideally we would want to see the rail link revenues exceed operational costs and would want confirmation of how a shortfall in funding would be addressed if required.
15. One key element in any significant infrastructure project of this nature is Scotland's existing cumbersome planning system. In 2003 CBI Scotland estimated that Scotland's cumbersome planning system was costing the country £600 million a year – through a combination of deferred benefits of infrastructure investment and lost turnover from delays in commercial investment. That is why we strongly support the reforms proposed in The Planning etc (Scotland) Bill and proposed Transport and Works Bill.

### **Conclusions**

16. Transport is a vitally important area to Scottish business and we have welcomed the devolved government's decision to invest more in the supply side of Scotland's economy. The Glasgow Airport Rail Link is a project that CBI Scotland called for in our 2003 Business Manifesto, realising the positive impact that it will have on the west of Scotland's local economy and Scotland's economy in general. There are obviously issues around the financing of the project still to be fully addressed but, if delivered on budget, the rail link could have a very positive influence on Scotland's future economic growth and attractiveness as a destination for investment and visitors.
17. Taking the pressure off other modes of transport, stimulating local economic growth, providing business and other travellers with more choice, improving Scotland's international connectivity and integrating with the existing transport network are factors that suggest this is a sensible policy to pursue, subject to satisfactory answers on affordability.

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<sup>6</sup> [www.spt.co.uk/garl](http://www.spt.co.uk/garl)

<sup>7</sup> [www.spt.co.uk/garl](http://www.spt.co.uk/garl)