

**SCOTTISH FREIGHT AND LOGISTICS ADVISORY GROUP (SCOTFLAG)
MEETING ON 13 JUNE 2013, 13:00, VICTORIA QUAY**

Present: John Nicholls (Transport Scotland) (Chair)
Phil Flanders (Road Haulage Association)
Jim McCall (British International Freight Association)
Frank Roach (Hitrans)
Michael Cairns (Tactran)
Rab Dickson (Nestrans)
Douglas Norris (Chartered Institute of Logistics and Transport)
David Spaven (Rail Freight Group)
Chris Dubber (United Road Transport Union)
Pam Stott (Transport Scotland)
Jim May (Transport Scotland)

Guests: Nigel Holmes (20/20 Climate Change Group)
Katherine Falconer (Transport Scotland)
Ann Connolly (Edinburgh City Council)
Rachael Dillon (Freight Transport Association)
Chris Snelling (Freight Transport Association)

Apologies: Gareth Williams (Scottish Council for Development and Industry)
Chris MacRae (Freight Transport Association)
Adrian Brown (Scottish Enterprise)

WELCOME AND MATTERS ARISING

1. John Nicholls welcomed everyone to the meeting. Minutes were approved – and all actions from the previous meeting had been addressed.

EDINBURGH ECOSTARS PROGRAMME

2. Ann Connolly explained she was the programme manager for the Edinburgh Ecostars project. It was a pan-European voluntary scheme to provide recognition and guidance on environmental best practice to operators of goods vehicles, buses and coaches whose fleets regularly serve the Edinburgh area. It rates individual vehicles and the overall operation of a vehicle fleet using a star rating system, to recognise levels of operational and environmental performance. It aims to reduce the energy used by commercial and passenger transport fleets by encouraging increased adoption of fuel efficiency measures.
3. Ann Connolly added that members of the scheme benefitted from:
 - a) fuel savings - by implementing key measures of Ecostars, a typical HGV operator could expect to reduce fuel consumption by a minimum of 5% in the first year;
 - b) reduction in carbon emissions - a typical HGV could see its annual output of carbon dioxide fall by six tonnes a year; and

- c) free tailor-made support to ensure their fleet is running as efficiently and economically as possible.
4. Ann Connolly stated that the programme was launched in January 2011 and soon attracted 20 members. It now has 35 members with over 2,500 vehicles between them. She added that no company was too small to join. A recently joined member for instance only owned one van. The breakdown of these organisations was:
- a) 25 from the goods sector;
 - b) 8 from the bus sector; and
 - c) 2 from the public sector.
5. Ann informed the group that the current funding for the project would end in May 2015. It was the hope of Edinburgh City Council to continue the work of the programme post this date.
6. Michael Cairns noted that a Scottish Government air quality grant had been awarded to Dundee City Council for their Ecostars programme. He was aware that the on-going cost of the scheme was approximately £30,000 a year, which would be difficult to maintain in the future once the Scottish Government grant ran out. Ann Connolly agreed that costs were a challenge: for the Edinburgh scheme costs were mainly related to undertaking of assessments.
7. Nigel Holmes asked, in terms of benefit, could carbon emission reduction or air quality improvements be quantified as a result of the scheme? Ann Connolly replied that Edinburgh Ecostars would carry out such a review in 2013. Encouraging statistics had been produced by the South Yorkshire Ecostars project review undertaken in 2012.
- [http://laqm.defra.gov.uk/documents/Eco%20Stars%20Environmental%20Evaluation%20Final%20Report%202010%20v2%200%20_2_\(2\).pdf](http://laqm.defra.gov.uk/documents/Eco%20Stars%20Environmental%20Evaluation%20Final%20Report%202010%20v2%200%20_2_(2).pdf)
8. John Nicholls asked if a pan-European review was to take place of the Ecostars projects? Ann Connolly replied that this is scheduled to take place within 6 countries taking part in the pilot within the EU by May 2014.

Action: Pam Stott to forward a copy of the South Yorkshire Ecostars review to group members.

LOGISTICS CARBON REDUCTION SCHEME

9. Rachael Dillon said that she was the project manager for the Logistics Reduction carbon Scheme (LCRS). The programme was a voluntary industry-led approach to reducing carbon emissions from road freight by recording and reporting reductions in CO2 emissions. It was free to join, open to all commercial vehicle operators and allowed the UK logistics sector to publicly report its contribution towards carbon reduction.

10. Rachel Dillon stated that the programme worked by measuring fuel usage in businesses signed up to the LCRS. Participants were asked to provide information on fleet numbers, fuel usage and business activity data. The fuel usage data was converted into carbon dioxide emissions using UK Government approved conversion factors. The FTA aggregated the fuel usage figures from scheme participants and reported the totals periodically to the Department for Transport. They also tracked the improvements in carbon emissions and fuel efficiency over time. The aim of the scheme was to reduce carbon emissions from the industry by 8% by 2015 against a 2010 baseline.
11. Frank Roach asked how many vehicles took part in the scheme? Rachael Dillon replied that 86 organisations had signed up as members. They contained approximately 10% of the HGVs on the UK's roads. John Nicholls asked what the uptake was in Scotland? Rachael Dillon was unsure of the exact number of Scottish companies taking part but said they included:
 - a) Menzies Distribution Limited;
 - b) The Malcolm Group;
 - c) Perth and Kinross Council; and
 - d) Muller-Wiseman Dairies.
12. Nigel Holmes commented that the 2015 target sounded reasonable but asked what would happen post-then? The Climate Change target for Scotland is a 'stretch target' of 42% reduction in CO2 equivalent emissions by 2020 using 1990 as a baseline. Rachael Dillon replied that this depended upon the availability of new technologies and fuels coming online.

DISCUSSION ON CARBON REDUCTION / AIR QUALITY ISSUES

13. John Nicholls thanked both Ann Connolly and Rachael Dillon for their presentations and opened the meeting for a general discussion on carbon emissions and air quality issues. He said it would be helpful if Nigel Holmes could outline the work of the 2 groups he was a member of, the Scottish Transport Emissions Partnership (STEP) and the 20.20 Climate Change Group.
14. Nigel Holmes replied that STEP had been created to help Local Authorities tackle the issue of poor air quality in urban centres. The Partnership included SEPA, Transport Scotland, the Scottish Government, representatives from the Local Authority pollution groups, the Road Haulage Association and the Confederation of Passenger Transport. The aim of the group was to improve Scotland's urban air quality, through a combination of partnership working and close working relationships with key stakeholders and other interested parties. The group:
 - a) provided a forum for debate;
 - b) identified and distributed examples of good practice; and
 - c) promoted a collaborative approach to improving air quality.
15. Nigel Holmes added that the 20/20 Climate Change Group had been set up in December 2009 with support from the Scottish Government to ensure that all sectors of Scotland's economy and civic society contributed fully to achieving

Scotland's climate change targets. It had created a Transportation Group with a remit to help reduce carbon emissions from transport in Scotland by helping to ensure that all organisations had access to relevant information to allow them to make the right behavioral or technology choices to reduce their carbon footprint. This would be achieved by:

- a) promotion of best practice;
- b) dissemination of information and experience in adopting new and developing technology; and
- c) encouragement of better collaboration between organisations to deliver positive change.

16. Frank Roach asked Nigel Holmes how well he thought transport was doing in meeting its climate change targets? Nigel Holmes answered that a slight reduction had been achieved but a lot of work would need to be done to reach the 42% target by 2020, and transport needs to be part of the CO2 reduction. He added that in the opinion of the Transport sub-Group of the 2020 Climate Change Group, the Report on Proposals and Policies (RPP) 2, published by the Scottish Government did not contain enough detail in regards to freight transport. He also mentioned that dual fuel and liquefied natural gas (LNG) could help to lower emissions.
17. Katherine Falconer said that the bulk of emissions were from longer journeys and heavy vehicles, therefore freight had an important part to play in lowering emissions and improving air quality. Phil Flanders added that the industry was aware of how important the need to reduce emissions was, especially in relation to air quality in towns and cities.
18. Frank Roach wondered if green issues were included in contracts between customers and hauliers? Phil Flanders replied that many big retailers want to be as green as possible so often use large companies with modern fleets to move their goods i.e. newer engines equalled lower emissions. Nigel Homes added that lower emissions often lead to improved air quality which was a win win situation for everyone.
19. Douglas Norris asked if there had been much investment in electric vehicles? Rachael Dillon replied that this has been very limited and had primarily happened within cities. Many in industry regarded alternate fuels e.g. LNG as the way forward.
20. John Nicholls said that all of the pilots and groups mentioned had been on a voluntary basis, would it be beneficial for these groups to become mandatory to join? Chris Snelling believed that the best way forward was for all schemes to remain voluntary. Ann Connolly was keen for Ecostars to remain voluntary.
21. Rab Dickson mentioned that there were a number of different schemes to choose from across Scotland; was the future to be the introduction of a national programme, perhaps Ecostars? If so, was there a role for Regional Freight Partnerships (RTPs) to play?

22. Pam Stott said that STEP was working on a paper that touched upon this issue. Paper put forward to STEP is here:

Paper 2 - STEP
Meeting 20 June 2011:

23. Phil Flanders added that having a single national carbon reduction scheme would be easier for industry to deal than 32 different schemes from Scotland's Local Authorities.
24. Rab Dickson was aware that some carbon schemes were linked directly to businesses i.e. quarries. This could make introducing national schemes like Ecostars difficult. Nigel Holmes added that the whisky industry had clear strategies for dealing with emissions.
25. John Nicholls asked if an appetite existed within the group to re-activate the climate change sub-group? After a general discussion it was agreed not to take up this option at the current time.

MEMBER UPDATE ON CURRENT ISSUES

26. Frank Roach reported that Hitrans had carried out a Timber Transport Survey called 'Upsticks'. The aim of the exercise was to determine the origin and destination of raw timber in the Highland area and thus provide a clear view of the use of the public road network and the deployment of the timber transport fleet. This would enable Hitrans and the Local Authorities to anticipate problems that might arise in the future and to develop strategies for the best use of resources to maintain and improve the public road network.

Action: Frank Roach to forward a copy of the report to group members.

27. Frank Roach advised that work was still on-going for the short term pilot aimed at moving whisky by rail from Speyside to Central Scotland. This exercise would enable the movement of between 2-3 trains a week and would last for approximately 3 months. The benefits from the pilot included:
- a) identification of the true cost of moving whisky by rail;
 - b) accurate data on the environmental benefits of using rail; and
 - c) performance / resilience benefits.
28. Frank Roach confirmed that Douglas Norris had been appointed as the project manager and the preferred bidder for the haulage part of the exercise was DB Schenker. It was hoped that the movement of whisky would begin in August and the rail link would be between Mossend and Elgin.
29. Michael Cairns said that work was progressing with the creation of a consolidation centre in Perth; however a difficulty had arisen in finding a logistics provider to operate the centre. He added that Tactran had worked with Dundee

City Council on the Energy Efficiency in City Logistics for Small and Medium Sized European Historic Towns (Enclose) Project. An awareness raising event was scheduled for 27 June that would focus upon the cities logistics policies and soft measures to reduce the environmental impact of road based freight / logistics activity in Dundee. Pam Stott would make a presentation on the day.

30. David Spaven noted that the proposed dualling of the A9 could have a negative impact on the movement of goods by rail. His organisation has been in contact with David Middleton of Transport Scotland on this matter. He further added that the Scottish Freight Joint Board had written to the Scottish Government about the National Planning Framework 3 regarding its failure to acknowledge the important role of rail freight in Scotland strategic infrastructure and the scope for it to contribute even more too national development in the future.

Action: David Spaven to pass on a copy of the Scottish Freight Joint Board letter to ScotFLAG members.

SUB-GROUP REPORT – ROAD TO RAIL SEMINAR

31. Rab Dickson stated that a Nestrans facilitated ‘road to rail’ seminar had been held in Aberdeen on 18 March 2013 which was attended by 39 people. The delegates had included representatives from Local Authorities, the private sector and freight operating companies.

32. The event had been based around:

- a) a key-note speech from Eddie Anderson of ARR Craigs;
- b) a presentation from David Spaven of the Rail Freight Group on the opportunities for moving goods by rail;
- c) lessons learned from the Hitrans whisky trial by Frank Roach; and
- d) a Q&A session (panel of Eddie Anderson, David Spaven and Tom Curry of Direct Rail Services).

33. David Spaven commented that there had been a good turn-out and good questions had been asked during the Q&A session. The event highlighted that co-operation rather than competition amongst hauliers was required to increase the level of freight on rail.

REGIONAL TRANSPORT PARTNERSHIPS

34. Rab Dickson said that consideration had been given to a Transport Scotland facilitated workshop for RTP freight officials. The proposed event would consider issues such as sharing good practice, project collaboration etc.

Action: Jim May to organise a meeting with Rab Dickson, Frank Roach, Michael Cairns and Transport Scotland officials to investigate if an appetite exists for a workshop or meeting.

AOB

35. Pam Stott mentioned that Chris Dubber had recently met with Angela Constance, the Minister for Youth Employment. Chris Dubber confirmed that part of the discussion had centred on a request for Scottish Government funding to support training under the Driver Certificate of Professional Competence. Many drivers had been asked to pay for the training themselves and had struggled to do so as courses cost between £30 - £100 each. (Drivers were required to undertake 5 days training every 5 years.) Pam Stott added that drivers could currently access funding from the Scottish Government under the Individual learning Accounts (ILA) scheme of up to £200 per year. This funding will continue to be available for unemployed people after the legislation kicks in for hauliers in 2014.
36. Pam Stott asked if the training sub-group should be re-activated to monitor Driver CPC issues? After a general discussion it was agreed not to do so at the current time.

DATE OF NEXT MEETING

37. The next meeting will be on 29 October 2013.