

**SCOTTISH FREIGHT AND LOGISTICS ADVISORY GROUP (SCOTFLAG)
MEETING ON THURSDAY 24 MARCH 13:00, VICTORIA QUAY**

- Present:** John Nicholls (Transport Scotland), Chair (Items 1-3)
Margaret Horn (Transport Scotland), Chair (Items 4-7)
Michael Cairns (Tactran)
Jim McCall (British International Freight Association)
Gareth Williams (Scottish Council for Development and Industry)
Douglas Norris (Chartered Institute of Logistics and Transport)
Chris MacRae (Freight Transport Association)
Adrian Brown (Scottish Enterprise)
Martin Reid (Road Haulage Association)
David Spaven (Rail Freight Group)
Richard Ballantyne (British Ports Association)
Fiona Hesling (Transport Scotland) via teleconference
Frank Roach (Hitrans) via teleconference
Pam Stott (Transport Scotland)
Bob Bridges (Transport Scotland), Secretariat
- Apologies:** Margaret Simpson (Freight Transport Association)
Rab Dickson (Nestrans) Technical problems prevented participation via teleconference
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WELCOME AND INTRODUCTIONS

1. Members were welcomed to the meeting.

MINUTES AND ACTIONS FROM PREVIOUS MEETING

2. Apologies had been received from Margaret Simpson, Freight Transport Association. Rab Dickson, Nestrans, had planned to participate in the meeting via teleconference; however technical problems prevented a connection to be made.
3. There was a single action which remained outstanding from the previous meeting which related to the movement of freight on the West Coast Main Line (WCML) as opposed to the movement of freight by road. However, there was a degree of uncertainty to the exact nature of the action. Chris MacRae commented the WCML only accommodated around 10 per cent of freight transport in the region.
4. Following a brief discussion, members agreed that the action could be signed off.

SCOTTISH GOVERNMENT POLICIES ISSUED

National Transport Strategy and Freight Policy

5. The Group was updated on the refresh of both the National Transport Strategy (NTS) and the Freight Policy. The Minister's aim was that the freight policy would be part of the NTS. The Minister had been keen to include clarification on roles and responsibilities and this was done. That apart there were no significant changes to the policies as the feedback received had suggested both documents remained relevant and on track. It remains a possibility that an incoming government may commission a more comprehensive review. There was also general agreement from the ScotFLAG stakeholder members that notwithstanding a few mentions and some figures, the Scottish Transport Strategy had disappointingly very little focus on freight issues.

Rail Freight Strategy

6. Members were advised that the Rail Freight Strategy (RFS) was published on 22 March, which links directly to the over-arching Freight Policy, refreshed NTS and the Government Economic Strategy. It has 22 actions identified under the 4 key levers of innovation, facilitation, promotion and investment, An early action being taken forward is a study looking at both market commodities and barriers to innovation. Following this, the industry will provide advice to the Scottish Government on the establishment of a ring-fenced rail freight innovation fund.

Cleaner Air for Scotland

7. The Cleaner Air for Scotland policy paper was published in November 2015. Two of the actions in the paper were relevant to freight and both were being considered by the ScotFLAG Urban Freight sub-group.
8. Comments on the various policy documents included:

Rail

- The RFS is an encouraging document highlighting opportunities and challenges.
- Rail industry needs to focus on innovation.
- UK Government is developing a Rail Freight Strategy for England and Wales, appropriate alignment between both strategies is required recognising the cross-border nature of freight flows. .
- Decline in coal traffic has implications for maritime transport at Hunterston and new timber transport will not replace the volumes of coal carried on rail.
- Short window of opportunity for some actions from the RFS and TS accelerated the deadlines on some actions in recognition of current industry challenges. .
- Good opportunities for movement of timber, aggregates, whisky etc. and focused promotion is required to realise these

- The study on commodity sectors and barriers to innovation should report in July 2016, fitting in with rail industry planning timescales.

Road

- Disparity in condition of trunk road network and local roads which leads to congestion. Additional focus needed on congestion and access to cities.
9. There was an enquiry about whether industry organisations had been represented on groups working on City Deals. A short discussion followed on City Deals and any freight-related manifesto commitments.

Action 1: TS to identify Scottish Government official working on City Deals and invite to attend next meeting.

(John Nicholls left the meeting and Margaret Horn took over as Chair.)

FUTURE WORK

ScotFLAG Urban Freight sub-group

10. The background to the ScotFLAG Urban Freight sub-group was set out and the group's membership, work to date and aims were discussed. It was also noted that the group plans to work through a case study on the redevelopment of Buchanan Street in Glasgow to help inform their thinking.
11. There was a discussion about the challenges in designing urban spaces. Some of the points made during the discussion included:
- Designs have to recognise the needs of all parties, including residents, shoppers, retailers, hauliers etc.
 - Road hauliers are contracted to take goods from point A to B. Where point B is immaterial, but access/egress is an issue.
 - Need to change client consumer expectations (i.e. next day deliveries etc.)
 - Largest growth in vehicle class in London is in vans. Impacts on congestion.

Action 2: Pam Stott to draft a paper for the next meeting to update ScotFLAG on progress of sub-groups.

Action 3: Gareth Williams said that there are also proposals to change urban waste collection which would significantly reduce the number of journeys in city centres by bin lorries, and that he would provide contact details for with Biffa Waste Services so that the group could meet with them and, potentially, incorporate this thinking into their report/ case study.

Skills

12. Members were updated about ongoing activity relating to the reported HGV driver shortage. Skills Development Scotland (SDS) has commissioned research to be carried out to identify the scale of the problem in Scotland and actions which could be undertaken to help address this. Pam Stott and Martin Reid were both involved in the steering group. The consultants are due to produce a report by the end of April 2016.
13. It was noted that British Ports Association are keen to progress work on an assessment of the last mile to freight hubs and ports.

Action 4: Richard Ballantyne to draft a paper on initial thoughts for consideration as a potential ScotFLAG sub-group.

(Fiona Hesling left the meeting.)

GRANGEMOUTH INVESTMENT ZONE

14. Adrian Brown introduced his discussion paper. Scottish Enterprise hopes to undertake a study, in conjunction with Forth Ports, to better understand the freight industry in the Grangemouth Investment Zone area. By gaining a better understanding of freight flows and distribution channels the port will be more able to identify future growth potential, the possibilities for additional distribution activity and capital investment requirements.
15. There were a number of commercial sensitivities identified during discussion on the draft consultants' brief, some of which were:
 - The NPF designation was for the area, whereas this study would potentially create a competitive advantage to a single company – was this appropriate use of public funds given competitive market and potential for displacement of business?
 - Provision of historic data was possible but there would be refusal to provide forward looking information due to competition concerns.
 - Difficulty in obtaining more meaningful data. Data available on tonnage being moved, but not what goods are being carried within containers.
 - Sensitivity needed in respect of other ports and areas such as Hunterston. Demise of coal from Longannet will place terminal under pressure.
 - An environmental benefit analysis will be dependent on the product being moved and the route taken.
 - The Grangemouth area was already a distribution hub (hence its designation as a nationally-significant site for industry and freight in the NPF) – so perhaps clearer definitions were needed in the document..

Action 5: Adrian Brown to consider the issues raised and refine his consultants' brief, and then recirculate to the group.

(Gareth Williams left the meeting.)

AOB

Resilience

16. A brief summary of the issues that had arisen since the last meeting was given. It was highlighted that the closure of Lamington bridge closure had created problems. Strike action had also taken place at Grangemouth affecting container quayside operations. The group was advised that the threat of rail strikes, which were subsequently cancelled, has resulted in freight being moved from rail on to road, and much had not been moved back to rail following the cancellation of the strike action.
17. Tactran mentioned a concern that HGVs may be using inappropriate roads due to drivers using car sat navs rather than HGV sat navs. The point was accepted that this is an issue in some smaller fleets and there is an ongoing problem of car sat navs not providing bridge height information. There is also a problem with signage being obscured due to overgrown vegetation, often on local roads.

(Martin Reid left the meeting.)

RTP Freight Officials Meeting

18. Members' views were sought on a proposal to adopt the informal RTP Freight Officials meeting as an official sub-group of ScotFLAG. The group agreed.

Branchliner

19. HITRANS updated the group on the STTS funded study aimed at securing moving timber from the Flow Country to Inverness by rail. Industry now needed to take the project forward to commercial reality. A Freight Operating Company would need to pull loads together to purchase rail space, whilst a coalition of the timber owners was vital.

Ten-T Grants

20. There was an enquiry about the potential opportunities for Transport Scotland in Ten-T grants. It was explained that whilst Ministers are keen to do more, the problem is often in business identifying eligible projects. It was also asked if Ten-T grants could be used to pump-prime a rail freight service directly to continental Europe. It wasn't immediately clear if this could be done and it was suggested that consideration is given to including Ten-T grants and Corridors on the agenda of the next ScotFLAG meeting for further discussion.

Action 6: Richard Ballantyne to provide a list of successful Ten-T project awards under the 2014 Connecting Europe Facility Call, which were announced in the summer of 2015.

DATE OF NEXT MEETING

21. The date of the next meeting was not discussed, but is likely to be around late September/early October 2016.