

**SCOTTISH FREIGHT AND LOGISTICS ADVISORY GROUP (SCOTFLAG)
MEETING ON 26 SEPTEMBER 2012, 12:30, VICTORIA QUAY**

Present: Margaret Horn (Transport Scotland) (Chair)
John Nicholls (Transport Scotland)
Phil Flanders (Road Haulage Association)
Chris Dubber (United Road Transport Union)
Jim McCall (British International Freight Association)
Colin Bell (Scottish Enterprise)
Chris MacRae (Freight Transport Association)
Frank Roach (Hitrans)
Rab Dickson (Nestrans)
David Spaven (Rail Freight Group)
Pam Stott (Transport Scotland)
Jim May (Transport Scotland)

Apologies: Keith Brown (Minister for Transport and Veteran Affairs)
Douglas Norris (Chartered Institute of Logistics and Transport)
Gareth Williams (Scottish Council for Development and Industry)
Michael Cairns (Tactran)

WELCOME

1. Margaret Horn welcomed everyone to the meeting. She stated that Alastair Wilson had moved to a new role within the Scottish Government – she thought the group would wish to thank him for his input during the last 2 and half years. She introduced his successor, John Nicholls to the meeting.
2. John Nicholls thanked Margaret Horn for the warm welcome and gave everyone a brief history of his working life which included spells within SG Health, SG Resilience and the Department for Transport.

MATTERS ARISING

3. Margaret Horn reported that Keith brown, the Minister for Transport and Veteran Affairs, was unable to attend the ScotFLAG meeting as planned due to unforeseen circumstances.

Minutes were approved – actions had been addressed.

PARTNERSHIP WORKING

4. Pam Stott outlined the background to ScotFLAG, its purpose and predecessor activity over the past decade. On the work programme, she said that a short discussion paper had been produced for members to discuss with the Minister. It was based around:

- a) the strengths of the logistics sector within Scotland;

- b) how the logistics sector, via ScotFLAG, can help the Scottish Government achieve sustainable economic growth; and
- c) what were the main challenges the logistics sector faced and how can the partnership work of ScotFLAG help in addressing these?

5. From this, 4 main questions for discussion had been identified i.e.:

- a) What are the priority challenges for freight transport in Scotland?
- b) What actions is your organisation (or those you represent) taking to address these challenges?
- c) How can existing ScotFLAG sub group activity progress, simplify and/or add value in tackling freight challenges?
- d) What additional activities could ScotFLAG (or sub groups) undertake over next 12 months (and what will be outputs)?

6. A detailed paper on all the points raised by ScotFLAG members would be circulated at the next scheduled meeting for discussion.

Action: Pam Stott to create a detailed paper on all points raised for discussion paper for next ScotFLAG meeting.

7. Margaret Horn said that although the Minister was not attending, it would still be a worthwhile exercise to discuss the questions identified from the report. The group agreed and Margaret Horn asked, from the list collated from a trawl of members, what the main priorities facing transport in Scotland were:

- a) Phil Flanders – infrastructure, urban congestion and image the of the industry;
- b) Chris MacRae – supply chain efficiency and resilience. He added that the use of rail was seen as complicated and too costly by some. Work needed to be undertaken to change mindsets on this matter;
- c) Frank Roach – competition may be stopping operators from working together, the demand for the movement of food and drink from the north for export is a big challenge for Scotland's infrastructure;
- d) Colin Bell – ensure that transportation doesn't impact negatively on economic growth;
- e) Chris Dubber – the need to lower costs can lead to staff reductions;
- f) Jim McCall – lots of air passengers moving in and out of Scotland, could more be done to increase air freight. Also a call for the re-introduction for border controls for life sciences in Scotland had been made by his members;
- g) David Spaven – Scotland's exports had been focused on high value goods rather than high volumes. He added that another issues was investment in rail infrastructure was not keeping pace with that of road. Some freight operating companies did

not investigate the possibility of moving small loads for SMEs on rail, preferring to concentrate on large, regular movements instead;

- h) Rab Dickson – urban congestion, air quality levels in city centres, costs related to the delivery of goods to rural areas.

8. The conclusion was that there was a good spread across most headings but most agreement had been over the challenge of ensuring that goods transportation enabled economic growth.

9. Margaret Horn asked the group what action(s) their organisations had taken to address these challenges:

- a) Chris Dubber – URTU had been involved in a project with 2 companies on the collaborative movement of goods. His union would promote this issue when possible;
- b) Phil Flanders mentioned that the RHA had a training wing for the logistics sector, including Driver CPC, to help the industry be more efficient;
- c) Chris MacRae – the FTA recognised that the links to global markets for Scotland was increasingly via southern England or mainland Europe. How to do this in a sustainable manner was an issue his association could give advice on i.e. they can give advice on the different modes available to move goods. His organisation had undertaken research recently looking at the repositioning of containers to help ensure that no imbalance occurred for their use in exports / imports. The FTA also offered a range of courses to help upskill those employed within the logistics sector;
- d) Frank Roach said that Hitrans had successfully bid for £200,000 under the EU Foodport – the North Sea Region ERFD Project, which is designed to promote green transport corridors for food and drink. The funding would allow Hitrans to put in place a short-term pilot aimed at moving whisky by rail from Speyside to Central Scotland. The exercise would enable the movement of between 2-3 trains a week and would last for approximately 3 months. The benefits from the pilot would include:
 - i. the identification of the true cost of moving whisky by rail;
 - ii. collection of accurate data on the environmental benefits of using rail; and
 - iii. performance / resilience benefits.

10. Margaret Horn asked how the use of ScotFLAG sub-groups could benefit economic growth:

- a) **'Road to Rail'** – Phil Flanders stated that the sub-group could help industry to make better use of the railways to move goods. David Spaven added that the work of the sub-group may be of benefit to address the obstacle of rail freight operators tending to

focus on competition for existing rail freight business in preference to seeking new business to rail.

- b) **Driver Certificate of Professional Competence (CPC)** – Phil Flanders stated that the sub-group had / would continue to do useful work. Pam Stott added that the sub-group had been set up to look at the level of uptake for drivers in Scotland since September 2009 (when the CPC came into effect). Although this was a reserved matter, a lack of qualified HGV drivers would adversely impact upon the Scottish supply chain, Scottish businesses and hence the potential for achieving sustainable economic growth.

11. Margaret Horn asked whether discussions to date had identified a need for an new sub-groups. Nothing immediate identified. Margaret Horn mentioned that there was an open invitation to attend a meeting with the ORR. Consideration was given as to whether a specific rail subgroup was required. After general discussion it was agreed that this was not needed as other avenues could be explored:

- a) a Freight Joint Board Scotland was being run by Network Rail and offered an avenue for engagement; and
- b) FTA and RFG could approach the Transport Scotland Rail Policy Team to discuss setting up regular meetings.

12. John Nicholls asked to what extent the freight industry was affected by the economy and what could it do to aid economic recovery? Chris MacRae replied that supply chain efficiency was an essential tool to help end the current recession.

SUB-GROUP REPORT – ROAD TO RAIL SEMINAR

13. Jim May said the seminar held on 24 May had been perceived by attendees to be a success. An online survey had been completed by over 50% of delegates who attended which stated they would be in favour of a series of regional road-shows to discuss specific issues across Scotland.

14. The sub-group was working on a potential regional seminar to be held around March 2013. Issues currently being considered included:

- a) who would facilitate it;
- b) what issues would it consider;
- c) where it will be held etc.

REGIONAL TRANSPORT PARTNERSHIPS

15. Rab Dickson reported that Nestrans had produced a freight map. Although this was primarily an online exercise, a limited number of paper copies had been made available and were in demand.

16. Nestrans were also updating their freight action plan and carrying out a lorry delivery study for Aberdeen city centre.

- a) Margaret Horn said she was aware that SesTran had organised an event on 8 November in Edinburgh. Its aim was to encourage the full use of the Rosyth to Zeebrugge freight ferry service.

AOB

17. Pam Stott and Jim May had been exploring the potential use for ScotFLAG purposes of the Knowledge Hub - the Local Government Association's professional social network which helps people connect and share online in a secure environment.. Margaret Horn asked whether any members were familiar with this - none were. After discussion, it was agreed for a presentation to be made on this subject at the next meeting of ScotFLAG.

DATE OF NEXT MEETING

18. The next meeting would be in January 2013.