

**SCOTTISH FREIGHT AND LOGISTICS ADVISORY GROUP (SCOTFLAG)
MEETING ON TUESDAY 28 OCTOBER 13:00, ATLANTIC QUAY**

Present: John Nicholls (Transport Scotland), Chair – first half
Margaret Horn (Transport Scotland), Chair – second half
Adrian Brown (Scottish Enterprise)
Michael Cairns (Tactran)
Phil Flanders (Scottish Council for Development and Industry)
Jim McCall (British International Freight Association)
Douglas Norris (Chartered Institute of Logistics and Transport)
Martin Reid (Road Haulage Association)
David Spaven (Rail Freight Group)
Pam Stott (Transport Scotland)
Bob Bridges (Transport Scotland), Secretariat

Telephone: Chris MacRae (Freight Transport Association)

Guests: Simon Bonsall (Scottish Government)
Dr Maja Piecyk (Heriot Watt University)
John Provan (Transport Scotland)
Sharon Wood (Transport Scotland)

WELCOME AND INTRODUCTIONS

1. Members and guests were welcomed to the meeting. An apology from Rab Dickson was noted. Apologies from Chris Dubber and Frank Roach were subsequently received.

MINUTES AND ACTIONS FROM PREVIOUS MEETING

2. The minutes of the meeting held on 27 February 2014 were agreed. The Action from the last meeting seeking information of HGV/cycling activities and projects was cleared. Members were advised that the newly released Reported Road Casualties 2013 statistical publication included an article looking at Pedal and Motor Cycle casualties, and covered type of vehicle involved. The article is available at <http://www.transportscotland.gov.uk/statistics/j340611-06.htm>

POST-REFERENDUM DISCUSSION

3. John Nicholls explained the Smith Commission's role in considering further devolution of powers to the Scottish Parliament, following the referendum outcome. The Commission was in the process of gathering evidence / views. The deadline for submission of views to the Commission is 31 October 2014.
4. A short discussion followed, touching on how increased powers / legal responsibilities may impact on the role and remit of Transport Scotland. Scottish Government had published its submission to the Commission, which

provided details of the levels of increased devolution it sought – including for transport. The group agreed that it was too early in the process to assess the impact for the freight industry.

Link to page to download SG's submission to Smith Commission

<http://news.scotland.gov.uk/News/Powers-for-a-purpose-113d.aspx#downloads>

OVERVIEW OF LOGISTICS RESEARCH AT HERIOT WATT UNIVERSITY

5. Dr Maja Piecyk gave a presentation on a range of projects being undertaken by Heriot Watt University. She set out the structure and responsibilities of the research team, highlighting their work in partnership with the University of Cambridge via the Centre for Sustainable Road Freight (SRF). The SRF work is supported by 14 companies and individual projects are defined to meet the needs of industry.
6. She outlined some of the research undertaken which explored options for improving the efficiency of road freight. She acknowledged that, as the main mode for moving freight, efficiencies in this area will consequently deliver the greatest benefits.
7. Ongoing research included:
 - Future Mapping – seeking to improve the sustainability of the road freight sector by delivering an 80% reduction in emissions by 2050.
 - Carbon for Money – a model which allows hauliers to input vehicle data and generate a series of measures which can be implemented to maximise carbon saving benefits.
8. A brief discussion ensued which identified options for bilateral discussions to be taken forward between individual members and Heriot Watt University.

[John Nicholls left the meeting at this point and Margaret Horn chaired the remainder of the meeting].

NATIONAL PLANNING FRAMEWORK 3

9. Simon Bonsall presented a paper on the National Planning Framework (NPF) for discussion. (Link to paper here -)
10. The purpose of the paper was to seek views on convening a ScotFLAG subgroup which could bring together key freight stakeholders to monitor progress on freight actions contained in NPF3, and to consider what future freight priority projects may be (to inform development of NPF4).
11. John Provan explained that a refresh of the Transport Scotland Rail Freight Strategy was ongoing so there would be a need to ensure activity of the proposed subgroup did not overlap with this. Sharon Wood provided background to the Rail Freight Strategy, where the target was to publish a refreshed strategy document in 2015. (Link to presentation here -)

12. There followed a discussion on the potential membership of a sub-group. David Spaven commented that, in his view, the consideration of rail freight in the NPF process had been unsatisfactory. He suggested a wide group which should include Network Rail and COSLA.
13. Pam Stott explained that ScotFLAG sub-groups tended to consist of around 5 core members – not all of whom needed to be on ScotFLAG. The small number helped ensure a tight focus, and avoided the group becoming difficult to organise. Sub-group members would be responsible for consulting with and feeding in views/expertise from elsewhere at appropriate points, to help inform the output of the Group.
14. To minimise the time commitment of potential members, one option was for the group to become a ‘virtual’ group after an initial meeting. Pam Stott suggested that early consideration should be given to agree the group’s remit and circulate to ScotFLAG members. An aim could be to produce a progress report for discussion at the next ScotFLAG meeting.
15. ScotFLAG members were receptive to the creation of the subgroup.
16. Simon Bonsall agreed to chair an initial meeting of the sub-group. After this he proposed adopting a rolling-chair approach for the Group. There was general agreement that arrangements for the Chair of the Group could be finalised once proposed remit for the sub-Group had been circulated, and membership agreed.

Action 1: Simon Bonsall to draw up a draft remit for the Group. Remit to be circulated (inviting volunteers to be on Group) by 31 December 2014

Action 2: Membership of sub-Group to be identified and agreed by 16 January 2015

Action 3: First meeting of sub-Group arranged by 30 January 2015

Action 4: NPF Sub-Group to report progress at next ScotFLAG meeting

MEMBERS’ ISSUES

17. David Spaven raised the issue of the EU Sulphur Directive and its impact on the Rosyth to Zeebrugge service. He mentioned that there are reports of a consequential increase in costs of between 15% to 20% for shipping freight and he thought rail had a role to play in coping with the impacts of the Directive.
18. David Spaven suggested that there was a need to take a more innovative approach to grant funding to allow the pump priming of rail freight projects with introduction of a rail start-up scheme akin to the Waterborne Freight Grant scheme.
19. Margaret Horn explained that mode shift grant schemes remain available to support both sea and rail freight, although reflecting the different EU regulatory regime for each mode. The Department for Transport, with support from Scottish Government, was currently working to secure an extension to State

Aid approval for the existing schemes and this was the priority at the current time not development of a further scheme.

20. Chris MacRae informed the meeting that the FTA were in discussion with the DfT in which they are seeking to establish a more even playing field between road, sea and rail freight through introduction of a water equivalent of the rail MSRS scheme.
21. A discussion followed, in which it was recognised that a balance had to be struck on the sharing of risks for new services between the tax-payer and private sector. Any new/innovative mode-shift grant schemes would require to go through EU state aid approval process. It may be possible to consider how existing grant schemes could be utilised – but this requires a specific project to be proposed by industry first.

Action 5: Transport Scotland to provide David Spaven with information about grant scheme support available for rail freight. (Action complete – email sent to David Spaven from Ian Farmer, 31 October 2014)

22. Michael Cairns provided an update on the Sustainable Urban Logistics Plan for Dundee (SULP). He mentioned in adopting the SULP, there had been no demand for this from the commercial sector, rather Dundee Council were responding to environmental pressures – carbon reduction; noise reduction and air quality. The Plan identified short, medium and long term projects, which included:

Short Term (2014-17)

- Electric vehicles
- Enforcement of loading restrictions
- ECOSTARS

Medium Term (2018-23)

- Park and ride buses
- Further development of web-based freight logistics information
- Consolidation centre

Long Term (>2023)

- Development of freight railhead
- A90 through/around Dundee

23. He then provided an update on the LaMilo European Project (looking into alternatives for freight deliveries into city centres). There had been a recent event in Perth at which a Dutch delegation gave a presentation of an urban logistics service centre model which is in operation in the Netherlands. Michael advised that there had been six expressions of interest at the event and one company had subsequently been in contact with the Dutch delegation to discuss further.
24. There followed a short discussion about the potential for a 'bottom up' entrepreneurial approach. It was noted that three London Boroughs (Camden, Enfield and Waltham Forest) adopt a consolidation centre model for joint

procurement which allowed for e.g. stationery deliveries to be made to a single point, then transferred by more sustainable means to recipients as need demands. Similar schemes have been introduced by Newcastle University, and housing associations in Aberdeen.

ANY OTHER BUSINESS

25. Margaret Horn informed the meeting that the Scottish Parliament's Infrastructure and Capital Investment Committee were planning to conduct a Freight Transport Inquiry in 2015. The Committee was due to discuss the remit for the inquiry at their meeting on 5 November (subsequently changed to 12 November).
26. Margaret also advised the meeting that the Draft Budget had made provision of £1.1m in 2015-16 for the revenue MSRS and WFG schemes and had increased the budget for the Future Transport Fund from £17.7 million to £20.3 million (the allocation within that total to the FFG scheme was not yet announced).

DATE OF NEXT MEETING

27. Exact date to be agreed, but likely to be later February/early March 2015.