

**SCOTTISH FREIGHT AND LOGISTICS ADVISORY GROUP (SCOTFLAG)
MEETING ON TUESDAY 3 OCTOBER 10:30, VICTORIA QUAY**

Present: John Nicholls (Transport Scotland) - Chair
Chris Wilcock (Transport Scotland)
Frank Roach (Hitrans)
Martin Reid (Road Haulage Association)
Chris MacRae (Freight Transport Association)
Rab Dickson (Nestrans)
David Spaven (Rail Freight Group)
Gareth Williams (Scottish Council for Development and Industry) (By telephone)
Douglas Norris (Chartered Institute of Logistics and Transport) (By telephone)
Richard Ballantyne (British Ports Association)
Len Hobbs (British International Freight Association)
Pam Stott (Transport Scotland)
Dougie Krestoff (Transport Scotland)
Bob Bridges (Transport Scotland), Secretariat

Apologies: Adrian Brown (Scottish Enterprise)
Chris Dubber (United Road Transport Union)
Jackson Cullinane (Unite the Union)
Fiona Hesling (Transport Scotland)

Guest: Humza Yousaf MSP, Minister for Transport and the Islands – Agenda Item 2

WELCOME AND INTRODUCTIONS

1. Members were welcomed to the meeting and apologies noted.

Action 1: The Minister noted that he had met most of the group previously, but there were a couple of people he hadn't met and offered to meet in due course.

BREXIT

2. The Minister set out the Scottish Government's position on Brexit. The key points were:

- SG trying to influence UK Government thinking on a differentiated position for Scotland to reflect Scotland's differing view on Brexit.
- Next best option is a softer Brexit than that previously indicated.
- Shared concerns with Ireland over border issues.
- Concern about status of EU citizens in the UK and continuing access to EU workers.

- Impact of delays due to customs checks or border controls at ports etc.
- Keen to retain access to the Single Market.

3. The Minister sought the members' views on matters of concern about Brexit. They key points made were:

British Ports Association

- Bureaucracy relating to customs declaration processes and associated delays/congestion.
- Environmental/Veterinary standards at ports. Subject to checks at designated access points which Scottish ports don't have.
- References of common sense approach to mutual benefit agreements, don't play out in actuality.
- Disease control checks to be carried out at border, but Border Force have been subject to series of cuts over recent years.
- Possibility that post-Brexit free ports could disadvantage Scottish ports.

Road Haulage Association

- Concerns about delays at ports. Physical location of customs checks could result in additional costs, emissions due to delays.
- Significant concerns about Irish border arrangements.
- Difficulty in Northern Irish hauliers accessing local politicians. Consequent concern their voice isn't being heard.
- Free movement.
- Softer Brexit and transitional period would be preferred option.

Scottish Council for Development and Industry

- Aviation slightly different as it is separate from the Single Market and not subject to WTO.
- While UK Government takes an optimistic view, there are concerns within the wider industry.
- Removal of free access to EU for airlines would impact on passengers as soon as 2018. Impact on air freight likely to be 2019.
- UK Government have developed a database to show agreements with other countries. Not developed much further beyond this.

4. The Minister commented that he had spoken to Lord Callanan, Parliamentary Under Secretary of State for Aviation, International and Security, Department for Transport, who had expressed a willingness to meet when next in Edinburgh.

Hitrans

- Impact of delays at ports in respect of time critical products such as fresh fish and shellfish and a consequent loss of value.

Freight Transport Association

- Dependency of Scottish supply chain accessing EU countries via England. Scottish peripherality could become an even greater issue.
- Any proposal adding an additional layer of administration adds to costs of both importing and exporting.
- Transitional arrangements to keep us as close as possible to Single Market.

British International Freight Association

- Keep post-Brexit customs arrangements as close as possible to status quo.
- Industry will deal with changes. Issues will be additional obstacles put in place.
- Declaration of goods into/out of country. Need a transition period to iron out problems and meet demands of increased volume.

Rail Freight Group

- European Railway Agency standards regarding interoperability. Opportunity to put in place rules better suited to reflect the needs of Scotland.

5. The Minister sought members' views on the impact on restrictions on the freedom of movement of people. Key points raised were:

Road Haulage Association

- Massive impact on road haulage. Industry currently underpinned by EU workers.
- Due to relative weakness of Sterling, agencies being set up to help UK drivers work in Europe.
- Conversely EU workers leaving UK to return home.

Freight Transport Association

- At a UK level, while a significant proportion of drivers are EU citizens, higher proportion in warehousing.

British Ports Association

- Ports concerns primarily relate to wider supply chain.
- Immigration Act contains clause exempting hauliers needing Visas. Any changes to Visa controls are a cause for concern.

6. The Minister invited members' to raise any other issues of concern. Key points raised were:

Nestrans

- Current reluctance to bid for EU-funded projects. May be need for comfort statement to be provided to maintain momentum.

British Ports Association

- Opportunity to consider options for speeding up planning decisions.
- Commented that ScotFLAG is unique, as there is no equivalent elsewhere in the UK.

Rail Freight Group

- Continuing problems relating to rail freight's ability to compete with road freight due to very slow progress of upgrades to Highland Main Line.
- Crossing loops need to be longer – engines can pull 28 containers, but are limited to 20 due to length of loops.
- Accusation that rail industry hasn't done enough to identify key priorities. Industry is a bit fragmented and can be difficult to get an agreed position.

Action 2: The Minister offered to meet David Spaven for a catch up toward the end of the year.

Action 3: The Minister offered to meet with Chris MacRae in due course.

Action 4: The Minister suggested ScotFLAG may seek to engage with UK Government Ministers.

MINUTES AND ACTIONS FROM PREVIOUS MEETING

7. Amendments to the note of the previous meeting were agreed.
8. There was a further discussion in respect of the future-proofing of ports in respect of potential rail access in the future.

Action 5: Rab Dickson to check if consultants on Aberdeen Region Group have looked at harbour access issues.

Action 6: Transport Scotland to look at what is within their gift regarding Planning/harbour developments.

RTP UPDATE

Nestrans

9. Rab Dickson said:

- AWPR well under way. Scheduled completion for end of 2018.
- Bridges over Dee and Don almost touching.
- Aberdeen – Inverness rail progressing well. Funding confirmed. Slipped into CP 6 and should be complete in 2019.
- Will deliver improvements in rail freight capacity and new station at Kintore.
- Increased capacity into Aberdeen.
- Construction started on breakwaters at Nigg Bay.
- Civitas/Portis project looking Apps and freight routing.
- Rail Freight workshops being held – Aberdeen on 4 October and Inverness on 5 October.

Hitrans

10. Frank Roach said:

- 7.5 per cent increase in freight movements.
- Aquaculture Growth to 2030 Plan – sectoral mapping plan to identify future capacity needs.
- Liberty House – discussions about transport implications. Opportunities for short haul – Corpach to smelter. 25 per cent of UK requirement of alloy wheels to be made. Reprocess scrap steel from North Sea industries.
- Attention to be given to Berrydale Braes in 2018.
- Norbord plant under construction. Additional demand for transport due to double.

UPDATE ON SCOTFLAG SUB GROUPS

Last Mile Connections

11. Key points were:

- Work of group more closely linked to Planning and Brexit, so slower progress.
- DfT commissioned Sir John Randall to lead study of English port-connectivity. Interim (verbal) report given recently.
- Study with recommendations to be produced by end of 2017. DfT to consider in conjunction with funding/infrastructure priorities.
- Opportunity to feed into NTS.

Urban Freight

12. Key points were:

- Draft guidance document prepared and mock-ups received from APS (publishers).
- Seeking approval of ScotFLAG before clearing with Minister for Transport and the Islands.
- Consideration of timing for inviting comments from Cosla/SCOTS.
- Aim to publish by end of 2017. Highlight release of document in trade press and hosted on TS website.
- Can feed into wider urban freight, climate changes and air quality agendas.

Action 7: ScotFLAG to submit views on guidance document within 2 weeks.

Rural Freight

13. Key points were:

- Three meetings held to date.
- Survey carried out to identify priorities.
- Distil issues. Likely output to be a report and recommendations.

Action 8: Invite Roland Stiven (Rural Freight sub group Chair) to next ScotFLAG meeting.

AOB

HMRC

14. Consideration given to inviting HMRC to attend next ScotFLAG meeting to discuss Brexit issues. Alternatively, convene interim meeting if preferable.

Information on Rest Facilities

15. The provision and quality of rest facilities for drivers is an ongoing issue. Information on rest facilities on Traffic Scotland website is out of date and it is unclear to what extent the information is used. TS colleagues propose removing the information during the streamlining of the website and members' views sought. Consensus was rest areas will be identified before journeys are undertaken.

Action 9: Remove information on rest areas from Traffic Scotland website and monitor subsequent response.

DATE OF NEXT MEETING

16. To be confirmed, but likely to be March/April 2018.