

Delivering the Goods

Consultation towards Scotland's Rail Freight Strategy

Stakeholder Workshops Presentation
(November and December 2015)
Including slide with workshop feedback



Story so far

- Engaged with industry early in 2015 to improve our understanding and constructively inform approach.
- Scottish Parliament's ICI Committee Inquiry into Freight Transport in Scotland reported in June 2015.
- Major closure announcements from traditional industries (coal and steel), increasing the scale of challenge for rail freight in Scotland.
- Consultation document published in October.

Why are we doing this?

Securing a sustainable future for rail freight in Scotland



"I see a positive, sustainable future for Scottish rail freight where it plays a significant role in Scotland's economic growth through providing safer, greener, and more efficient ways of transporting products and materials, opening up routes through which Scotland can do business with the world."

What are we seeking to achieve?

A vision for rail freight in Scotland

A competitive, sustainable rail freight sector playing an increasing role in Scotland' economic growth by providing a safer, greener, and more efficient way of transporting products and materials



INNOVATION
EXPLORING NEW, MORE
EFFICIENT WAYS
OF TRANSPORTING GOODS ACROSS
SCOTLAND AND THE UK
AND TO THE CONTINENT



FACILITATION
BUILDING THE
SUSTAINABLE
PARTNERSHIPS
WHICH WILL BRING BENEFITS
TO CUSTOMERS AND HELP TO GROW
EXISTING, NEW AND EMERGING MARKETS



PROMOTION
SHINING A LIGHT
ON THE ECONOMIC,
SOCIAL & ENVIRONMENTAL
BENEFITS OF
MOVING GOODS BY RAIL

INVESTMENT



MAXIMISING THE IMPACT
OF PUBLIC AND PRIVATE INVESTMENT
WITH A FOCUS ON ALIGNED
INCENTIVES AND COLLABORATION
TO DRIVE EFFICIENCY AND
VALUE FOR MONEY



What you told us



January 2015 Workshops' feedback:

- **Role of Government:** enabling framework, supporting rhetoric, development of a Strategic Freight Network for Scotland.
- **Investment & Funding:** purpose of rail network, freight market expectations, clearer articulation of freight outputs within specifications for major enhancement projects. Stronger mechanisms to safeguard capacity for freight and to ensure that freight-funded investment deliver proper freight paths. Targeted funding for innovation/incentives.
- **Incentives:** creation of a level playing field, stability and predictability in the regulatory framework particularly around charging. Simplicity.
- **Strategy & Planning:** better understanding of key freight corridors across all modes, holistic approach to planning, development and delivery of strategic transport projects and industrial/economic development projects. In-depth analysis of the sector.
- **Behaviours:** More opportunities for effective collaboration to exploit market opportunities.

What the Consultation Document Proposed

A suite of related actions to take forward in collaboration with the industry in a number of key areas such as:

- Identifying areas of potential growth
- Exploring new and more efficient ways of moving goods which places the customer at the forefront of thinking
- Building strong partnerships within the industry, communities and stakeholders
- Making clear the link between use of rail freight and broader outcomes such economic growth and tackling climate change
- The right approach to maximising public and private investment in rail freight
- List of detailed actions including in the workshop pack and in the consultation paper

Key market challenges



Changing economics of coal and steel production negatively affecting volumes



"This is undoubtedly a critical time for the rail freight industry in Scotland with decline in traditional markets. Our consultation recognises this and I want to support the industry as it seeks out new opportunities and to help it grow existing markets."

Minister for Transport and Islands, October 2015

- Rail freight in Scotland faces major challenge to replace its base load business
- Underlying decline for number of years but power plant closures in 2016 will have major impact
- Exacerbated by recent closures announced in steel industry, which will negatively impact freight volumes

Key market opportunities



Growing existing markets and developing new ones

- Intermodal traffic a success story, with major flows from Midlands rail hubs at Coatbridge, Grangemouth and Mossend
- Strong partnership arrangements between freight operators and logistics companies
- Competitiveness key to future growth and increased freight market share
- Forestry products and whisky other key market opportunities



Consultation Workshop Feedback



Headline feedback

- Consultation paper is a positive, honest assessment and call to arms for the industry, public and private sectors.
- Decline in the industry in Scotland has been more rapid than predicted and growth not as strong. No single bulk commodity can replace coal. This decline contrasts with the position in the rest of Great Britain.
- In-depth understanding of Scottish markets required, including full evaluation of previous pilots and initiatives. Different markets will need different strategies and approaches to make them work for rail freight
- Innovation could be key to unlocking issues.
- Stability and predictability needed in the regulatory charging regime.
- Clearer articulation of freight outputs in specification of major enhancement projects.
- Timeframe for Strategy is right but milestones for delivery of the actions need to be accelerated.
- Cross-border flows are critical – recognition of rail freight as a GB-wide market.
- Needs to be proper balance of passenger and freight in operations and future investment plans.
- Aspirational targets more appropriate given commercial nature of industry. Strategy needs to focus on delivery and approach.
- Role of Transport Scotland/Scottish Government, other public sector partners, critical in implementing Strategy.
- Need for proper strategic planning at all levels – local, regional, and national.

