FORTH PORTS LIMITED
WRITTEN SUBMISSION

Freight Transport in Scotland

Forth Ports welcomes this opportunity to contribute to the Committee’s views on all aspects of freight transport infrastructure relevant to its remit, including, rail, road, air and sea freight.

It should firstly be noted that the ports sector within the UK is in the main financially, commercially and strategically independent of government. This therefore leads to investment decisions being based on market need and changes on demand driven by market development. The Committee should therefore consider how policy decisions made by the Scottish Government could impact on these investment decisions.

Forth Ports is a member of the UK Major Ports Group which in September 2014 launched a “manifesto” at the time of the major political party conferences entitled “Ports4property”. This sets out 5 key points which government should address in ensuring that the ports industry is successful, which in turn plays a huge role in delivering national prosperity. I have attached a copy of the manifesto and would encourage the Committee to review this in conjunction with this letter and other submissions received.

It is also worth noting that given the size of the market within Scotland and Scotland’s geographical position within both the UK and the European market that there is at times competition amongst the various modes of transport for freight, but also recognise the complementary of road, rail and sea and the flexibility that this can deliver to the end user of the services. A good example of this is the Port of Grangemouth which provides a true multimodal solution through road, rail and sea connections.

We are of the view that the Committee should also fully recognise the port facilities that have already been developed and operate throughout Scotland, and fully consider the options to further expand these facilities rather than consider the development of new. Existing major facilities across Scotland have developed based on their geographical location/advantage. In the most part they have the capability to expand at a cost substantially lower than the cost of a new port development and often with reduced implications in relation to the environmental and planning.

We also consider that the Scottish Government should take full cognisance of the demand forecasting for the UK as a whole in determining future policy associated with freight transport infrastructure in Scotland. By far the largest partner with whom we trade is the remainder of the UK with demand forecasts for the certain areas of the UK indicating a growth higher than Scotland. This will drive larger port investment in the South of England and to ensure that we, as a minimum, retain the freight connectivity we have with the rest of the UK using seaborne transport, the policies set should ensure the future growth of Scottish ports and seek to further grow this connectivity/volumes.
Forth Ports also acknowledges the recognition within NPF3 of the need to expand freight capacity on the Forth and the creation of the Grangemouth Investment Zone. We consider that both these national outcomes within NPF3 can be delivered with the correct approach to infrastructure and policy developments, building on what is already available across the Firth of Forth and within the Grangemouth/Falkirk area. The Port of Grangemouth has a significant land bank available for development allowing a portcentric logistics solution to be developed, thereby improving efficiencies in the supply chain, utilising a location at the heart of central Scotland. For a portcentric distribution hub to be fully efficient the current sea, road and rail infrastructure is essential.

Overall, our view is that:

- The Committee should aim to deliver a policy that allows for the free movement of goods into, out of and through Scotland in such a way that it improves the way in which Scotland undertakes its trade activities
- There should be a holistic view to the provision of grant funding taking into account the different modes of transport
- Transport strategy and its associated infrastructure and capital spending should recognise the correct balance between passenger and freight movements
- Where infrastructure improvements are being made initial consideration should be given to enhancements and developments at or adjacent to existing facilities as opposed to new developments

We would like to formally respond to the questions raised in your call for views as follows:

1. **Identify the main infrastructure and policy obstacles**
   - Key areas of infrastructure that require to be addressed are as follows:
     i. Greater ship size capability at the existing key Scottish ports, including the Port of Grangemouth. Deliver this through deepening of the quaysides at existing ports
     ii. Adequate road infrastructure supporting the port and its hinterland. For Forth Ports this includes the continued development of the road network at the Port of Leith, further improvements at junctions 5 and 6 of the M9 and completion of the upgrade to the A801 Avon Gorge
     iii. Provision of adequate flood defences that will protect not just the port assets but also the immediate hinterland of the port including business and residential areas
     iv. Security of rail connectivity and freight capacity whilst the passenger network is being enhanced. This includes the freight operations post electrification of the Glasgow/Edinburgh route and the maintenance of the Fife loop that serves the Port of Rosyth

With regard to policy Forth Ports requests that in relation to planning infrastructure spend in the coming years that the correct balance is obtained between investment in existing facilities and new facilities and also the correct balance between passengers and freight. Scottish Government should consider the most appropriate use of Harbour Revision Orders and determine the overall requirement for additional facilities when compared to what can be delivered by existing facilities.
2. How can Scotland’s rail, road, air and sea freight routes to the rest of the UK to Europe and worldwide be improved?

One of the main challenges that will face the shipping industry in Scotland in the coming years is the continual growth in the size of vessels being operated, with ship operators seeking to obtain greater levels of efficiency through the use of larger vessels. This is being driven by changes in global trade which is cascading down to routes within NW Europe and UK coastal waters. Scotland requires to ensure that it can accommodate larger ships and as detailed in (a) above we consider that this can be achieved through enhancements of existing facilities.

We also consider that all policies and legislation set by Scottish Government should be complementary and should not restrict the improvement in freight capacity/operations eg planning and environmental legislation should take full cognisance of the maritime activities around the coast of Scotland.

3. How can the Scottish Government structure its freight grant schemes to support the switch of freight to more sustainable modes of transport?

Scottish Government should recognise the geographical location of Scotland within the UK and Europe and consider the potential to provide assistance to ports and operators that will allow freight operations to switch to the most sustainable mode of transport, shipping. At present per unit grant funding is available to rail that is not available to shipping.

Scottish Government should consider mechanisms whereby coastal shipping can be further developed. The use of FFG grant funding has assisted in modal shift of freight from road to sea but has a focus in capital infrastructure works and does not consider the ongoing costs of operation of a coastal shipping route. In many instances the capital projects may be of a very long life cycle, with external factors affecting the operational costs of the service several times during the life of the capital spend.

4. Are there any European initiatives which could provide further opportunities for Scottish freight transport?

Forth Ports is fully aware of the main EU initiative which is the Trans European Network (TEN-T) programme. The main shipping corridors on the East and West of Scotland are recognised nodes within the TEN-T programme however a significant challenge can be identifying the correct connections/routes within mainland Europe. Any policy/funding programmes that can assist these connections would assist in developing opportunities for use of the TEN-T programme.

5. How can the freight industry make a contribution to greenhouse gas emissions reduction?

By default any efficient transport network will automatically contribute to reducing greenhouse gas emissions. An efficient, effective port located close to the end users, supported by good road and rail connections, will deliver an efficient transport network.
6. Which policy changes, or infrastructure improvements, are required to increase the flow of goods through Scotland’s major sea ports?

We consider that the points raised in questions (a) to (d) above cover this question.

We hope that you consider the response provided above to be useful and we look forward to meeting with representatives of the committee when they visit the Port of Grangemouth in February.

Stuart Wallace  
Divisional Director – Scottish Opera  

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