This joint response is submitted by the Chairs of Scotland’s 7 Regional Transport Partnerships (RTPs). The Partnerships are statutory bodies with responsibility for preparing and delivering Regional Transport Strategies for all regions of Scotland.

The RTPs have close links with the freight industry through Freight Quality Partnerships (FQP) or Freight Fora which together cover a large part of Scotland. These bring together RTPs, local authorities, national associations representing freight and road haulage, road and rail haulage, ports, major freight users and local business. Meetings of FQPs and Freight Fora are held generally at six monthly intervals and cover the Hitrans, Nestrans, SEStran, SPT and Tactran regions.

The RTPs have also been involved in a number of European Union funded research projects concerning freight transport, with a particular focus on sustainability. These have included:

- ENCLOSE: Sustainable urban logistics in small and medium size historic cities
- Food Port: The North Sea Region (NSR) as a key food cluster based on sustainable transport, including the Lifting the Spirit project
- i-Transfer: Sustainable ferry operation
- LaMiLo: “Last Mile” sustainable logistics
- Lo-Pinod: Logistics optimisation for ports
- Weastflows: Efficient and sustainable freight transport in NW Europe
- StratMoS: Strategic Motorways of the Sea
- GreCor: Green Corridors.

The responses to the Committee’s detailed questions below are founded on the RTPs’ general experience of supporting and promoting more efficient and effective freight distribution through implementation of their Regional Transport Strategies, including through liaison and discussions held at FQPs and Freight Fora, and also experience of participating in the above EU programmes.

Key issue

The RTPs’ experience of the above EU projects has highlighted a key issue for public agencies trying to support more efficient and sustainable logistics: fragmented and partial data on freight movement whether within Scotland, the UK or internationally. The position is not very different from 2006: “Lack of appropriate freight and logistics data for transport planning. One important reason why freight analysis has lagged behind that of passenger travel is that there are significant gaps in the evidence base for freight and logistics. Information on freight movements is not currently available at an adequate level of detail to reflect the underlying supply chain characteristics. This makes it difficult to forecast future changes, and interface with road passenger transport analysis at the national and regional levels. This could affect the ranking of investment priorities.” (Scottish
The consequence is that freight movements can usually be examined only on a single mode/ single journey segment basis, or on the basis of throughput of freight facilities such as ports and rail terminals. For example, the potential for transfer of freight movements between Scotland and a mainland European destination from long-distance road haulage to a southern England port for onward sea transport, to a short road haul to a Scottish port for onward sea transport may not therefore be apparent. The answers to some of the Committee’s questions below can therefore only be based on limited available evidence.

1. Can you identify the main infrastructure and policy obstacles to the free flow of freight in Scotland, whether carried by rail, road, air or sea?

The RTPs believe that the main infrastructure and policy obstacles to the free flow of freight in Scotland are:

**General:**
- need for a revised strategic overview of freight/logistics policy for Scotland – the Freight Action Plan for Scotland was published nine years ago in 2006
- closer partnership working between public and private sectors to increase efficiency and sustainability – the various regional FQPs/Fora provide an established basis for further development of this
- better integration of freight issues into transport planning processes (e.g. through RTPs)
- improved information services for shippers (e.g. multi-modal route planners)
- infrastructure resilience in the face of climate change.

**Rail:**
- railways generally are not open 24/7, access to track is limited by maintenance requirements and signaller shifts
- better understanding of the role of inter-modal freight terminals in encouraging greater use of rail
- limited capacity on the network and lack of marshalling sites
- reliability and resilience
- gauge restrictions are still a problem in some places limiting container traffic
- limited or no access to port facilities including Cairnryan, Dundee, Methil, Montrose and Perth, also retention of the link to Rosyth is vitally important
- need to develop further inter-modal facilities (e.g. M8 corridor around Bathgate and Dundee) similar to Grangemouth
- difficulties in terms of cost and speed of response of the rail industry to potential bulk movements, particularly timber. Rail freight operators are perceived to be difficult to deal with – the time taken to provide a quote or to offer small scale carriage is seen as cumbersome compared to road. Many potential rail traffics are bound to long-term contracts or haulage is provided as part of the contract which has been agreed (this is the case for example with recyclates and other potential goods which may otherwise be suitable for rail carriage).

**Road:**
- interaction between strategically valuable freight traffic and inefficient single occupancy cars – for example, cross-Forth movements and in the Glasgow area
• need for dualling of key links, particularly A1 in Scottish Borders, A9 between Inverness and Perth and A96 between Inverness and Inverurie; complete improvements to the A75 and A77 across Dumfries & Galloway; and addressing pinch points in the strategic network, such as the A90 at Dundee – though this may encourage more long distance road freight contrary to sustainability and carbon reduction policies.
• lack of investment in strategic routes particularly in northern Scotland resulting in delays and inconsistent journey times
• effect of accidents, maintenance, weather or other lane closures.

Sea/Port:
• inadequate freight handling on the east coast, especially the Forth (NPF3) and lack of capacity in ports in the North-East
• structural/ownership issues in relation to port facilities and land
• more active promotion/support for additional/modernised freight handling capacity
• poor condition of ports and harbours across the ferry networks is a limiting factor; this is particularly evident with the continued use of crane loading at ports in the Orkney internal ferry network.
• ferry capacity is a constraint. There can be a conflict between passenger traffic desires (including private vehicles) and freight requirements in terms of ferry timetabling, pre and block booking of haulage. This becomes particularly evident in peak periods and at weekends
• for freight movement commercial vehicle fares have an impact on sustainable economic growth in island and Highland peninsular communities.

2. How can Scotland's rail, road, air and sea freight routes to the rest of the UK, to Europe and worldwide be improved?

The RTPs believe that the following improvements would improve connectivity for freight between Scotland and the rest of the UK/Europe:

General:
• Improved information services for shippers (e.g. multi-modal route planners).

Rail:
• HS2 to release network capacity for freight trains - particularly through parts of England where capacity problems are hindering long-distance rail freight
• further electrification to improve efficiency/ sustainability
• further gauge enhancement within Scotland and elsewhere on the UK rail network
• better understanding of the role of inter-modal freight terminals in encouraging greater use of rail.

Road:
• completion of dualling is needed on key routes between Scotland and major destinations and ports in England, in particular the A1 in Northumberland and the A66 between the M6 and A1/A1(M) which provides the main link to the ports on the Tees and Humber
• further improvements to the A75 are required to maintain competitiveness of the freight routes from Cairnryan to Northern Ireland in comparison with routes from North and South Wales ferry ports.
Air:
- it is important to recognise the role of air freight particularly at Edinburgh and Prestwick
- air freight benefits if there were more direct international flights, catering for either dedicated air freight or hold cargo on passenger services – especially to the Far East
- reinstating and securing access for services from Scottish airports to Heathrow, the UK’s principal hub airport, is essential. Heathrow continues to dominate airfreight exports from the UK.

Sea/Port:
- promotion of ‘sustainable gateway’ approach to ensure efficient and sustainable logistics
- enhancing role of coastal/short sea shipping which may be adversely affected by the impact of the sulphur directive
- improved direct ferry connection(s) to mainland Europe
- addressing problem of shortage of return loads / cost of repositioning empty containers (export tonnage is greater than import tonnage)
- addressing issue of constrained port capacities, as identified in the National Planning Framework, such as the extension to Aberdeen Harbour.
- ensuring that port capacity and facilities, including inter-modal opportunities are developed to maximise their economic potential in relation to the emerging renewables sector, as identified in the NRIP report and NPF3.

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

The RTPs believe that a number of the conditions and criteria have, to date, severely constrained the effectiveness, attractiveness and potential of these schemes. The costs of transporting freight by road have been increasing as a result of fuel and other inflationary cost pressures. The economic and environmental benefits of encouraging modal shift in favour of more sustainable modes, particularly for longer distance flows, is generally acknowledged. It is essential that schemes such as FFG offer a viable and attractive mechanism for stimulating private and public sector action on developing facilities and initiatives which contribute to National and Regional Transport Strategy objectives of transferring freight from road to rail and water-borne alternatives. The RTPs have previously raised concerns about the effectiveness of the current grant schemes with Transport Scotland, highlighting areas and ways in which these could be improved and made more effective/attractive. The main issues are:

- the bureaucratic nature of the current schemes and relative lack of recognition of the benefits of FFG within the eligibility criteria and monetisation of road miles benefits, have made the schemes unattractive and led to them not achieving their full potential, in terms of attracting private sector interest and take up of previous years’ grant availability
- improvements could be made by both simplifying and revising the calculation of road miles savings on a basis that does not effectively disincentivise proposals for effecting modal shift for freight hauled over longer distances
- current requirements to undertake all work within a single financial year should be eased to enable implementation to be spread across financial years, reflecting the reality of project development and tendering time scales, constraints on working, etc.
• a streamlined process should be considered for smaller schemes of perhaps short duration that could allow experimentation without the need for long term capital commitment
• need to better understand European and DfT restrictions on “state aid” to ensure that grants are not delivered in a way which disadvantages businesses and regions which are remote from major markets. Currently railfreight cannot be supported by grants over longer distances since it is assumed that this should be commercially viable. However, due to volumes and commodities, it is often not commercially viable to use rail and the grant system is therefore not working
• FFG should be extended to allow promotion through public bodies, as well as the private sector. It should also be made possible to add FFG to other funding, such as EU grants
• consideration of support should be given to third party operators/promoters of inter-modal hubs or other services that promote sustainable freight transport options
• weightings could be added to higher value, possibly export-bound products
• eligibility should be widened for funding to include urban consolidation centres
• consideration should be given to extending eligible expenditure which is supported by FFG to include additional road improvement and maintenance costs on the local road network in the vicinity of proposed facilities, where the impacts associated with serving rail/water freight facilities can result in increased maintenance requirements being imposed on local roads authorities.

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

There are further EU opportunities through the TEN-T programme, albeit it is limited for Scotland, and Interreg and other projects. A major issue with EU funding opportunities is the need for match funding and it is believed that the Scottish Government should establish a fund which RTPs and others could access to support match funding requirements.

There is also a need to ensure that TEN-T recognise the importance and needs of Scotland as a peripheral region, the opportunities for such regions to be an important contributor to sustainable economic development and the need to ensure that the European Union has policies to support economic development in such areas.

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

There is scope for the freight industry to contribute to a reduction in greenhouse gases through:

• a more objective consideration of alternatives to long-haul road transport – this can be supported by better information now becoming available – e.g. online multi-modal route planners
• ensuring the most efficient vehicle designs, engine types and driving styles (for all modes)
• maximising vehicle/vessel utilisation and route choice (efficiency)
• encouraging more efficient urban logistics – e.g. urban consolidation / logistics service centres and use of low carbon delivery vehicles. These can be
combined in a local authority based Sustainable Urban Logistics Plan, such as that produced by Dundee City Council and Tactran in 2014.

6. Which policy changes, or infrastructure improvements, are required to increase the flow of goods through Scotland's major sea ports?

These are outlined in the answers to the questions above.

Conclusion

The RTPs believe there is a need for partnership working to develop alternative approaches, especially because of lack of detailed data in the public arena. The Regional Transport Partnerships are in a particularly strong position to assist in delivering this wider focus given the regional nature of major gateways and logistics operations and links with the freight industry and public sector partners through the network of FQPs and Freight Fora they have developed.

20/1/2015

Yours faithfully/sincerely,

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