

NORTH AYRSHIRE COUNCIL

WRITTEN SUBMISSION

FREIGHT TRANSPORT IN SCOTLAND

Call for views

The Committee is interested in hearing views on all aspects of freight transport infrastructure relevant to its remit, including rail, road air and sea freight and has agreed the following inquiry remit:

“To identify and understand some of the challenges facing the freight transport industry in Scotland, including domestic and international links as well as the interconnectivity of rail, road air and sea freight services and to identify key areas for development, improvement and change.”

North Ayrshire Council support the transfer of freight from road to rail and water and recognises the need to reintroduce the Freight Facilities Grants to help reduce lorry miles on Scotland’s road network. Promoting freight transfer through more sustainable modes reduces congestion and associated emissions while supporting business by helping companies invest in the facilities needed to compete in financial terms with road delivery options.

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?

Infrastructure: North Ayrshire Council recognise that there is a lack of general use of rail freight facilities and none in North Ayrshire. Rail transfer facilities exist at UPM Paper Mill in Irvine, Hunterston at Fairlie and DSM in Dalry, however these are constrained in their operation and are specific to the businesses operating at these locations. There is opportunity to utilise this capacity by removing barriers to use (passenger traffic is an issue) and constructing new infrastructure to these sites and then entering into agreements with the facility owners. We are currently carrying out an Ayrshire Freight study through SPT to provide a freight strategy for the region. The study will investigate and establish freight movements in the area, where freight is travelling from and to, what type of freight is moved, routes used, modes of transport for freight and opportunities for further freight development in Ayrshire.

Operational: Due to the high demand on passenger travel there is a lack of train paths and available time slots for the transportation of freight by rail. In order to increase rail freight movements timetabling will need to be carefully considered.

Financial: It is perceived that there is a higher cost to transport goods by rail. A more transparent and competitive system of charges should be established to encourage modal shift to rail freight.

Where there are capacity restrictions on the network, funding will be required to provide additional tracks and remove gauge width and height restrictions.

Logistical: The movement of freight by rail is constrained and time and convenience are an issue. Freight would require to be transported to rail transfer facilities (currently none in Ayrshire) to be loaded for transfer to the nearest facility close to the destination. The nearest transfer facility for businesses in North Ayrshire is at Hillington and is operated by The Russell Group. This is then likely to entail additional transfer to road in order to be delivered to the final destination, rail freight does not provide a door-to-door solution. This last leg of the supply chain is often less efficient, comprising up to 28% of the total cost to move goods. The last mile problem can also include the challenge of making deliveries in urban areas where retail stores, restaurants, and other merchants in a central business district often contribute to congestion and safety problems.

Winter preparedness is becoming an increasingly important issue given extreme weather incidents. Lessons learned from these incidents should include:

- The importance of modal inter-dependencies where inclement weather causes disruption.
- A review of the different approaches taken by the UK Government and Scottish Government to the problems and impacts caused by lack of preparedness.
- To improve the situation generally there is a need for a holistic supply chain preparedness review which could be carried out by both the Government and freight industry.
- Prioritising key sites for local route access to national network to ensure intermodal continuity is achieved in emergency situations

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

Better information is required on the available facilities and services and more marketing of these to persuade consumers, retailers and producers of the commercial, environmental and public relations benefits of rail as a mode of transport for freight.

As part of the process to encourage more use of rail to carry freight, there would need to be more engagement between rail freight providers and users.

A study is likely to be required to establish if necessary improvements to infrastructure are required, where capacity and potential freight traffic for rail are identified. By establishing available freight capacity on the rail network and the links to other modes the needs of the customers can be better addressed.

There is further opportunity in Ayrshire to explore how air freight can be developed given the proximity to Glasgow Prestwick Airport, through the utilisation of the

existing rail and road links to the site. This chimes well with our aspirations to support local businesses to increase international exports.

The provision of Agreed Routes Maps would assist in establishing suitable haulage routes but will need financial support to maintain the roads infrastructure. There will also be a need to consider co-ordination and prioritisation of freight access routes, identifying key sites across both local and national road networks.

The creation of web portals and services for freight, track and trace facilities, route planners and a system that encourages more sustainable road haulage could all be developed to improve freight transport integration.

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

Phasing of grants to provide more up front / start-up funding would encourage businesses to investigate and finance the switch to more sustainable modes.

Reintroduce the Freight Facilities Grant to finance modal shift enabling more goods to be taken off the roads and onto rail or water. We consider this would also be an investment in a more carbon-efficient and cost-effective, supply chain. With a commitment to greener transport choices the loss of the facilities grant has made it less desirable and more cost prohibitive to invest in the appropriate machinery and technology (eg cranes and other freight handling equipment) required to make rail and water borne freight a reality for companies currently focusing solely on road freight.

Businesses need to be made aware of any grant opportunities available to use more sustainable freight modes and assistance could be provided to help procure funding.

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

European Regional Development Fund (ERDF) 2014 – 20 has a focus on smart, sustainable inclusive growth and there are funds for Transport, ICT, Climate Change, Resource Efficiency and Low Carbon Economy. Stakeholder efforts should be focussed on accessing these funds.

Weastflows is an Interreg IVB North West Europe (NWE) project funded by the European Regional Development Fund (ERDF) which examines freight movement and aims to encourage a shift towards greener freight transport in the NWE region. Efficient and sustainable freight transport is essential to help deliver economic, social and environmental benefits to communities and businesses.

Applying for European funding to adopt intelligent ICT and telematics solutions within the freight transport network will help drive efficiencies and sustainability into the freight supply chains.

In Scotland, the Mode Shift Revenue Support (MSRS) - 2014-15 provides funding for rail and inland waterway movements in Scotland and for rail movements between Scotland and England & Wales, where the majority of the Environmental Benefits will be generated in Scotland. The Scottish Government MSRS budget for the period 2014-15 is £1.1m.

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

The freight industry can be encouraged to reduce greenhouse gas emissions by the following:

- Providing freight grants for the purchase of cleaner vehicles.
- Sourcing EU funding to encourage to use of cleaner vehicles.
- By Government setting more stringent targets for carbon reduction.
- By imposing speed restrictions on lorries.
- By encouraging the UK Government to increase Heavy Goods Vehicle Road User Levy.
- Through local Freight Quality Partnership Action Plans.

Freight Consolidation centres have the scope to improve take up of rail freight but need to be financed and this is a major obstacle. Also, if there are relatively few restrictions on freight to and through cities and towns then this will not encourage support and investment from retail and other partners.

Initially it would be helpful to fill any information gaps to allow various transport modes to be considered when assessing how to move freight. This could be done by providing a central resource centre.

Providing better routing information to the industry on opportunities e.g Commonwealth Games strategy worked well with no complaints from hauliers. The same principle could be applied for rail freight where information can breed confidence in the rail freight market.

Encouragement through improved partnership working. SPT hosts the Freight Quality Partnership group comprising of representatives from SPT, FTA, RHA, local authorities and industry members but more needs to be done to engage the industry especially at a grass roots level. More sustainable freight and logistics operations could be implemented through collaborative partnerships between the public and private sectors in discrete geographic zones.

Through Freight Gateways – Freight Gateways provide a key economic contribution to the region and beyond, a freight gateway supports the development of local trade and global freight connections, contributing both to the economic and the social wellbeing of the region. To be a sustainable gateway, these logistics ‘hubs’ for the entry and exit movement of freight to a region have, or have the potential for, multi-modal links by road, rail and sea to the surrounding area and the wider supply chain.

Through best practice - Better management of resources and careful review of the overall logistics operations system, providers can reduce the environmental and economic impact of freight transport significantly. To assist the industry further, SEStran has developed a straightforward guideline and checklist to encourage the logistics sector to consider measures that will make a move towards more sustainable logistics a more realistic option.

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

Provision of comprehensive intermodal facilities at ports will encourage sea ports to be used to transport freight in and out.

Conducting comparative case studies which consider operations in various markets and countries will provide ‘best practice’ or ‘lessons learnt’ information to inform the way forward. In addition consideration of the findings from available evidence and research will provide information to consider possible options for infrastructure or policy improvements in relation to major sea ports.

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