

**SCOTTISH FREIGHT AND LOGISTICS ADVISORY GROUP (SCOTFLAG)
MEETING ON THURSDAY 15 SEPTEMBER 10:00, VICTORIA QUAY**

Present: John Nicholls (Transport Scotland)
Chris Wilcock (Transport Scotland)
Michael Cairns (Tactran)
Douglas Norris (Chartered Institute of Logistics and Transport)
Chris MacRae (Freight Transport Association) (By telephone)
Rab Dickson (Nestrans) (By telephone)
David Spaven (Rail Freight Group)
Richard Ballantyne (British Ports Association)
Chris Dubber (United Road Transport Union)
Fiona Hesling (Transport Scotland)
Pam Stott (Transport Scotland)
Bob Bridges (Transport Scotland), Secretariat

Apologies: Jim McCall (British International Freight Association)
Gareth Williams (Scottish Council for Development and Industry)
Adrian Brown (Scottish Enterprise)
Frank Roach (Hitrans)
Tony Jarvis (Highlands and Islands Enterprise)
Martin Reid (Road Haulage Association)

WELCOME AND INTRODUCTIONS

1. Members were welcomed to the meeting and apologies noted. John Nicholls welcomed Chris Wilcock and explained that he had taken on responsibility for freight policy from Margaret Horn following restructuring within Transport Scotland.
2. It was noted that this was likely to be the final ScotFLAG meeting attended by Michael Cairns and, had he been able to attend, Jim McCall. Members recognised the contribution of both Michael and Jim, and John expressed the thanks of ScotFLAG for their service.
3. John provided a brief update on the new Ministerial team and their respective portfolio responsibilities.

MINUTES AND ACTIONS FROM PREVIOUS MEETING

4. David Spaven commented that paragraph 16 on 'Resilience' in the note of the last meeting made reference to the threatened rail strikes, but did not mention that a strike that took place at Grangemouth.

Action 1: Bob Bridges to update note of March meeting to include reference to the strike at Grangemouth.

DISCUSSION ON BREXIT

5. John Nicholls restated Scottish Ministers' position in respect of Brexit and summarised actions taken including the appointment of a new Minister for UK Negotiations on Scotland's Place in Europe and the appointment of a Council of Advisors.
6. Chris Wilcock provided an update from a recent meeting with Department for Transport officials and Maritime bodies. Most industry bodies within the maritime sector are preparing manifestos for Brexit and Transport Scotland would welcome sight of similar documents from any members' organisations to help inform our thinking.
7. Members stressed the importance of free movement of trade and people. Other areas of concern included potential blockages in the system, the customs declaration process and tariffs. Richard Ballantyne said that HMRC officials were already addressing these issues and suggested that there may be value in inviting HMRC to speak at the next ScotFLAG meeting.

Action 2: TS to invite HMRC to give a presentation at the next ScotFLAG meeting.

8. There was a brief discussion about the recruitment of EU workers and the impact of transactional costs on the freight industry and ultimately customers. It was noted that as the UK is a net importer, Brexit may focus minds on transactional arrangements. The UK's trade agreement with the USA was complicated, whereas the agreement with Norway was simpler – however politics would determine much of the complexity of the UK's agreement with the EU.

RTP UPDATE

Nestrans

9. Rab Dickson said:
 - A new bridge had opened over the Don.
 - AWPR work is well underway.
 - Work being done on road hierarchy and road signing to encourage HGVs on to appropriate roads.
 - Regional ECOSTars programme in Aberdeen.
 - Aberdeen Harbour expansion moving forward.
 - Civitas Portis project – 4 year project with one work package looking at freight innovation measures incorporating Aberdeen City and Aberdeenshire Councils; Nestrans and Robert Gordon University.
10. There was a discussion about the Aberdeen harbour development.
 - Development relevant to both the Planning and Last Mile sub-groups.

- Development is at planning stage. RTP needs to stay at arms-length from the planning process.
 - Chris Wilcock provided group with information on the Ministerial / Parliamentary process involved.
 - Aberdeen City Deal funding allocated to harbour project for public road access, not the expansion.
 - Rail access directly into harbour was discussed. Chris Wilcock explained this would not ordinarily make provision in Harbour Order without business case for inclusion, but he would discuss further with [Aberdeen Port?].
11. John Nicholls mentioned that the Minister for Transport and the Islands had expressed an interest in visiting Aberdeen. It was noted that the Department for Transport had indicated that UK applications would still be welcome for Ten-T funding. However, it was anticipated that there would be greater scrutiny of applications by Ministers and early applications would require Scottish Government sign-off.
12. Michael Cairns provided updates from Hitrans, Tactran, Sestran and SPT as follows:

Hitrans

- Refreshing Transport Strategy

Tactran

- Contributing to an academic study looking at trends and opportunities.
- Enterprise company set up in respect of the Dundee consolidation centre. Scale of business would be determined by outcome of grant application to Zero Waste Scotland.
- Plan is for consolidation centre to be in operation during this financial year.

Sestran

- New Director appointed – George Eckton.
- Three members retiring.

SPT

- Lot of work on freight in Ayrshire being done.
- Cleaner Air for Scotland – modelling done for Edinburgh and Glasgow, now Aberdeen and Dundee.

RAIL FREIGHT STRATEGY UPDATE

13. Members were advised that:
- Rail Freight Strategy (RFS) was published in March.
 - RFS has been well received.
 - TS Rail Strategy is focussing on ARUP study into supply chains.
 - Freight Joint Board meeting on 22 September.
 - First proof of guide produced. Publication due in October.

- Final presentation to Freight Joint Board in October.

Action 3: Fiona Hesling to send RFS Guide to Chris MacRae, FTA.

14. Discussion followed which covered:
 - Potential for rail to secure parcel provision in 2018.
 - With circa 7 million tonnes of timber being moved around Scotland, work needed to establish percentage which could be moved by rail.
 - Constraint for moving freight to Europe by rail is at Calais.
 - Potential for frozen and chilled goods to be moved by rail
 - Industry needs encouragement to be more innovative.

UPDATE ON SUB GROUPS

Last Mile Connections

15. Summary of progress so far presented by Richard Ballantyne. He explained that aim would be for the sub group's report/recommendations to be fed into the next review of the NTS, future reviews of planning.
16. On specific tasks currently underway, the group was considering development of an up to date freight map in order to highlight freight routes and identify bottlenecks. Fiona Hesling mentioned a rail freight map had been developed for the RFS work and was available for consideration by the sub group. Consideration was also being given to the potential reclassification or granting special status for local roads with critical importance to access.

Action 4: Fiona Hesling to send rail freight map to sub-group.

Urban Freight

17. Summary of progress so far presented by Chris MacRae.
18. The group planned to develop guidance and best practice aimed at local planners, retailers and freight transporters.
19. Rab Dickson suggested that the sub group may want to consider more peripheral areas e.g. Aberdeen.

CITY DEAL

20. There was a discussion about the paper prepared by Morag Watt, SG: Region and City Partnerships. It was noted that some elements of the city deals were looking to resolve issues such as State Aid. It was noted that the transport arm of the Inverness city deal included three major road schemes but there was nothing for rail. There is too much single track north of Inverness which impacts on reliability of routes. There is a need for an overtaking loop outside Inverness to allow passenger services to pass freight transport.

21. There was a brief discussion about how stakeholders engage on the City Deal consideration process. It was noted that Nestrans were not a partner on the Aberdeen City Deal, but they had been asked to advise. Opportunity North East (ONE) has been established and is private sector led. It has a commitment to improve journey times and freight capacity south of Aberdeen.

Action 5: Bob Bridges to clarify with SG City Deal colleagues how stakeholders can engage in the process.

POTENTIAL TIMBER TRANSPORT SUB GROUP

22. Pam Stott gave an update on the background to the proposal paper submitted by Roland Stiven. Any sub group would need to ensure that their work did not overlap with the work of the Timber Transport Forum (TTF) and that a new sub group would need to bring added value. Comments received from Derek Nelson and Tony Jarvis were fed in and members' comments were invited.
23. There was consensus that a timber transport sub group needed to avoid duplicating the work of the TTF. There was also agreement that any sub group would need to:
- have a wider focus than timber;
 - be multi modal; and
 - avoid mission creep.
24. Members gave in-principle agreement to a sub group, but more consideration of the remit and parameters of the group's work was needed first.

AOB

Possible Academic Appointment to ScotFLAG

25. Pam Stott gave an update on the approach from Dr Jason Monios, Napier University and his expression of interest in joining ScotFLAG. The group recognised the value of having an academic representation on the group, but there was uncertainty whether this should be as a permanent member or feeding in to ScotFLAG on an ad-hoc basis. It was suggested that Dr Monios could be invited to give a presentation at the next ScotFLAG meeting.

Action 6: Bob Bridges to invite Dr Monios to give a presentation at the next meeting.

Grangemouth Investment Zone

26. An update was given on behalf of Adrian Brown. MDS Transmodal (in conjunction with Steer Gleave Davis) have been appointed to undertake the Grangemouth Investment Zone Freight Flows Analysis study. The inception meeting was on 2 September and the study is expected to complete by the end of the year.

27. The study is seeking *to understand current and future freight flows to and from the Grangemouth area, as well as current and future constraints – with the ambition to develop its port, logistics and distribution facilities and status resulting in a further strengthening of its position as a key strategic, multi-modal freight, warehousing and distribution hub (as per NPF3).*
28. Several of the ScotFLAG members representing industry organisations will be contacted for a 'structured discussion' on the project and issues etc.

Government Programme

29. It was noted that the Minister for Transport and the Islands had written to a number of stakeholders regarding the Government Programme, review of NTS etc. Information was sought on the process for engagement. The group were advised that Donald Carmichael, Director of Transport Policy, is leading on these work streams and is in the process of establishing teams to deal with the work. It was mentioned that the first meeting of the internal working group would take place soon and more focus on Ports and Shipping was being given in this iteration of the NTS.

Action 7: Chris Wilcock/Pam Stott to circulate a note to update group on timescales etc. following the working group meeting.

DATE OF NEXT MEETING

30. The date of the next meeting was not discussed, but is likely to be February/March 2017.