

Supporting economic growth in Scotland's cities

Efficient logistics



Delivering safe, efficient, sustainable logistics



Summary

Why does freight matter to Scotland's cities?

Every 'thing' you see in a city centre is, or was at some point, a piece of freight and needed to be moved there. Cities are built by freight and they live everyday on freight.

Over 360,000 tonnes of goods are moved in Scotland by lorries on average each day. That's 15,000 tonnes picked up or dropped off each hour, or 250 tonnes every minute¹. And this only a part of what freight does as it excludes vans. Without an efficient logistics sector, shops would run out of products, hospitals out of medication, cash machines out of cash and our workshops out of widgets.

Anything which makes it more difficult to deliver or collect goods leads to an increased cost of doing business in Scotland. And increased costs increase the price of goods in shops – raising the cost of living for those living in Scotland's cities.

In addition to this support role there is a substantial direct economic contribution from logistics. Freight transport in Scotland is worth about £4.6 billion GVA² to the Scottish economy (5.5 per cent of Scotland's output), total output from wider logistics industries is estimated to be around 9 per cent of GVA and it directly employs over 110,000 people (roughly 5 per cent of the Scottish workforce). An additional 50,000 people perform logistics occupations in other industries.³

Consequently, maintaining and improving the quality and cost efficiency of logistics is a key way to help improve Scotland's economy. Below, FTA sets out what Transport Scotland and Scottish city local authorities could do to help improve Scotland's economy through urban logistics. On page 4 we set out more detail on some of the key issues.

¹ Scottish Transport Statistics 2014, based on 131.9 million tonnes lifted

² GVA is gross value added, a measure in economics of the value of goods and services produced in an area, industry or sector of an economy

³ Scottish Logistics Report 2012

How can Scotland's cities be improved for logistics

- ✓ Out-of-hours deliveries on quiet basis promoted
- ✓ Protect/enhance traffic flow to ensure continued efficiency:
 - invest in road network to improve flow speed and reliability of movements?
 - 20mph zones to be targeted to key areas and not to conflict with major freight routes?
 - cycling infrastructure not to reduce ability to serve the area
- ✓ Increase in loading/unloading availability wherever possible
- ✓ Co-operative approach on parking fines – working with industry to target reduction in contraventions and Penalty Charge Notices for delivering to Scotland's businesses
- ✓ Water and rail-side access to be preserved to allow local alternative mode deliveries where possible
- ✓ Future low emissions standards to be developed in discussion with industry and needs of Scotland's business to be taken into account
- ✓ Hgv movement restrictions to be reduced
- ✓ Importance of freight to be reflected in all relevant Scottish policy statements – planning as well as transport
- ✓ Assistance from Transport Scotland in promoting best practice amongst Scottish city local authorities, and a co-ordinated approach between them and Transport Scotland itself

Issues in detail

Out-of-hours delivery curfews

FTA recognises that in many congested parts of Scotland's cities, it is simply not possible to increase capacity. Therefore local authorities need to make best use of their cities' existing road network by smoothing the traffic flow and spreading vehicle movements across the whole day. A large proportion of freight traffic is moved in morning peak hours due to night-time delivery and access restrictions.

There are measures which companies can and have taken to make their vehicles quieter and to train drivers, so that delivering out-of-hours does not have to necessarily disturb local residents. FTA has been working with the Noise Abatement Society on developing this work through the Quiet Deliveries Demonstration Scheme and for the 2012 Olympics. FTA also developed with Transport for London (TfL) and Glasgow City Council a 'code of practice on quieter out-of-hours deliveries during the Commonwealth Games 2014.

The code of practice is available at the following link and includes the following general advice.

www.fta.co.uk/policy_and_compliance/road/urban_operations/out_of_hours_deliveries.html



Part 1 – General guidance

Think about the potential noise impact of any out-of-hours activity on local residents, review the likely sources and consider how to address them by following these guidelines.

- Inherently noisy activities should be avoided during night-time hours
- Select the newest and quietest delivery vehicles and equipment wherever possible
- Make sure all equipment – both on the vehicle and at the delivery point – is in good working order and maintained to minimise noise when in operation
- Reversing alarms should be modified for white noise or a qualified banksman be used instead
- Ensure all staff involved in delivery activity are briefed and trained appropriately, in accordance with the code of practice
- Ensure all suppliers and carriers receive copies of the code and are aware of its importance
- Contact the Environmental Health Officer (responsible for noise issues) to explain the plans to manage night-time delivery and servicing activity
- Liaise with colleagues, other local businesses, suppliers and carriers to minimise the likelihood of more than one vehicle arriving at the same time
- Wherever possible, vehicle access and egress routes should be chosen which minimise disruption to local residents; including, where appropriate, the use of one-way systems to minimise the need for vehicle reversing

Ensure all drivers follow the guidance below.

Part 2 – The delivery point

- Ensure delivery bay doors, gates and shutters are well maintained to minimise noise when opening and closing
- Switch off any external tannoy systems
- Avoid using external bells at delivery points
- Switch off the radio when delivery point doors are open
- Ensure the delivery point and surrounding areas are clear of obstructions so vehicles can manoeuvre easily

- Keep doors other than the delivery point closed to ensure noise does not escape
- Where possible, prepare all empty handling units, salvage and returns behind closed doors. Check they are in the correct condition and position and at the right height before taking them out. This will minimise outdoor activity and unnecessary noise
- Think about how to minimise contact between hard surfaces, particularly metal on metal, during the unloading/loading processes. For example, use rubber matting and buffering material on doors
- Service any delivery equipment in advance to minimise noise
- Make sure the delivery point is ready for the vehicle before it arrives – gates and doors should be open to avoid the vehicle idling
- Make sure the driver knows the precise location of your delivery point and is aware of any local access issues
- Ensure staff do not shout or whistle to get the attention of the driver

Part 3 – The driver

- Plan ahead to ensure you know the location of the delivery point and the appropriate access route
- If early for your delivery slot, do not wait near residential property and switch off the engine if at all possible
- As you approach the site and manoeuvre your vehicle into position, remain aware of the effect noise levels can have on local residents
- Do not sound your horn
- Engines should be switched off immediately when not manoeuvring, however try to minimise start-ups and avoid over-revving
- Where appropriate, refrigeration equipment should be switched off in advance of arrival at the premises
- If the radio is on, ensure the cab windows are closed and switch the radio off before opening the door
- Minimise the frequency of opening and closing vehicle doors, and do so quietly



- Allow extra time if needed to unload as quietly as possible. Take particular care to minimise rattle from metal-on-metal contact when moving roll cages
- Where practical, notify staff at the delivery point in advance of arrival to ensure they are ready for you
- Be aware of how far your voice can carry when talking outside at night
- If opening a gate/cellar flap/roller shutter door to gain access, do so gently and as little as possible
- Lower flaps on tail-lifts carefully and quietly
- Do not whistle or shout to get the attention of store employees
- When moving gates, locks and load restraint bars ensure they are placed gently in their resting position/stowage point – do not drop or drag them on the ground
- Minimise excessive air brake noise
- When working in the vehicle load space, avoid banging cages into the vehicle walls
- When finished unloading/loading, close up the vehicle quietly
- For keg deliveries, ensure that dropping beds are always used when moving kegs into and out of the vehicle. If rolling kegs to the delivery point, use rubber matting. Consider using a sack truck with pneumatic tyres to move kegs from the vehicle to the delivery point
- Show the same consideration when leaving the site as when arriving

Improving air quality and reducing carbon emissions

The freight industry is playing its part to improve Scotland's air quality and, over the last 20 years, PM emissions from new hgv's have reduced by 97 per cent and NOx by 94 per cent. Given that 75 per cent of freight in Scotland is transported by road,⁴ the best way to improve the environment is to help road freight be more efficient. Whilst FTA understands and supports the reasoning behind Low Emission Zones (LEZs), their use can disproportionately hit smaller businesses who are less likely to have the means to upgrade or purchase newer vehicles that some of the larger companies do. Experience from London shows that removing the barriers to an efficient freight industry and encouraging local authorities to relax out-of-hours delivery curfews, will bring the biggest improvements in air quality whilst reducing carbon emissions.

Low Emission Strategy for Scotland

The purpose of the Low Emission Strategy is to draw together the various policies being implemented and developed across a range of central and local government portfolios which have the potential to improve air quality, and present these within a coherent overall framework, setting a new refocused agenda for action. The strategy sets out the contribution that better air quality can make to sustainable economic growth and quality of life for the citizens of Scotland.

FTA has expressed strong concern about the unusually short timescales proposed in the document for implementing Low Emission Zones. The document correctly notes that

⁴ Scottish Transport Statistics 2014 edition

“it is vital to the potential success of an LEZ that affected vehicle owners and operators are given sufficient notice to ensure compliance before the LEZ is established”. However, the document then states that the notice period should be a maximum of two years – compared to the total seven years' notice that will have passed by the time London's Euro VI LEZ comes into force. So far, nowhere else in Europe has implemented a Euro VI LEZ, let alone at such short timescales.

FTA has outlined that if a Scottish council were to take-up this document's suggestion this year and announces a Euro VI/6 LEZ (as recommended in the strategy) it would start in 2017. That would mean any lorry older than three years would be excluded, whilst for some van classes those more than one year old would be banned. FTA has also noted that this measure would see two-year old diesel cars being excluded.

FTA will pursue this point in dialogue with the Scottish Government and in response to the consultation.

It should be noted that both Glasgow and Edinburgh City Councils have indicated to FTA that they will not pursue LEZs for their own cities before the adoption of the national Scottish strategy. (This includes Glasgow's City Centre Transport Strategy now approved by the council but that will not go ahead until the funding is available, and discussion with stakeholders.)

To help companies meet their climate change obligations, FTA has established the pioneering Logistics Carbon Reduction Scheme (LCRS); the first ever carbon reporting scheme for commercial vehicle transport. This is particularly important as Scotland has its own Climate Change Act with



national targets to reduce carbon emissions; and the sector will be expected to make a contribution.

Currently, hgvs represent 16 per cent of Scotland's transport emissions, however cars represent 40 per cent⁵. The LCRS is a voluntary scheme to record, report and reduce carbon emissions. FTA has recently published its fifth LCRS Annual Report which shows that LCRS members are making significantly better progress in reducing emissions when compared to industry as a whole. They are likely to be more engaged in improving fuel efficiency and reducing carbon within their fleet operations. The scheme currently has 110 members from across the UK, accounting for over 77,000 hgvs and vans. LCRS has received endorsement from the UK Department for Transport.

By 2030 the Scottish Government aims to see significant progress in decarbonisation of road transport, through the wholesale adoption of electric cars and vans, and conversion to hybrid or alternatively-fuelled hgvs and buses. The LCRS Awards programme showcases best practice on how the sector can reduce emissions and the practicalities of adopting alternative fuels and new technologies.

⁵ Committee on Climate Change Reducing Emissions in Scotland progress report 2015

Cycling

FTA is committed to improving safety for all road users, including cyclists. To support this, the Association offers members best practice advice about vehicle equipment and driver training. We also support the Construction Logistics and Cyclists Safety (CLOCS) project and its standard for construction-related traffic. We have also supported increased targeted enforcement against hgvs in urban areas to ensure that all operators comply with the rigorous standards of UK regulation.

Whilst cycling is undoubtedly a healthy activity, it is not without risk. As with any use of the roads, it is potentially dangerous to those who are not fully aware of the hazards that surround them. The Association strongly believes that all road users have an obligation to act responsibly and share the road safely together. So it is important that not only do companies take steps to make their vehicles safer and to train their drivers, but that there is increasing awareness and education for cyclists about how to behave around large vehicles. This needs to be coupled by strong enforcement of dangerous and illegal behaviour by cyclists as well as drivers.

Additionally, FTA is a consortium member of the Centre for Sustainable Road Freight (CfSRF), a research body led by Heriot-Watt University in Edinburgh and the University of Cambridge. The CfSRF is undertaking a number of key projects to help industry reduce carbon emissions.

Scottish Government Low Emission Strategy

- *FTA asks the Scottish Government that the objective of this strategy must be maximised local air quality gain at minimum cost to local society – this can only be achieved by looking on an equal basis at all available policy options*
- *FTA asks the Scottish Government that their strategy not preemptively elevates LEZs to a prime position above all other interventions when there is no clear case to do so and that the proposed Framework for LEZs not be unnecessarily prescriptive: the best local solution (balancing costs and benefits) may involve tailored Euro requirements or timings*
- *FTA asks the Scottish Government to remember that logistics is a UK-wide operation and the Government should work with other UK authorities to have one single approach for the UK, unless a truly distinct need for Scotland can be identified and demonstrated*
- *FTA asks the Scottish Government to support a voluntary industry led approach to reducing carbon emissions through programmes such as the Logistics Carbon Reduction Scheme*

FTA believes that Transport Scotland must play a central role in delivering this message.

Initiatives to improve safety for cyclists must be based on evidence, providing real action with real results. To underpin this, there needs to be a comprehensive, evidence-based action plan which is aimed at all parties, not just the freight industry.



Glasgow is the largest city in Scotland and the third most populous in the United Kingdom.

- The population is 595,080 and is expected to reach 600,000 by 2018
- The greater Glasgow conurbation totals around 2.3 million, accounting for more than 40 per cent of the country's entire population
- Glasgow Gross Value Added (GVA) per resident in 2013 was £32,279⁶
- The city has enjoyed steady economic growth over the last few years with an annual output of £15.7bn⁷
- Glasgow is the country's largest centre of employment with total employment at around 443,000

- The unemployment rate increased from 6.5 per cent in 2008 to 11.4 per cent in 2010, but dropped to 9.2 per cent in 2014⁸
- In 2013, 63 per cent of working age Glaswegians were employed. Glasgow's employment rate is around 8 per cent lower than the Scottish average⁹
- Male median salary is £29,732¹⁰
- Female median salary is £23,337
- The Glasgow Commonwealth Games led to £282m worth of tourism, according to official research¹¹
- 690,000 people travelled to the city to attend the Games and hotel occupancy in Glasgow reached 95 per cent

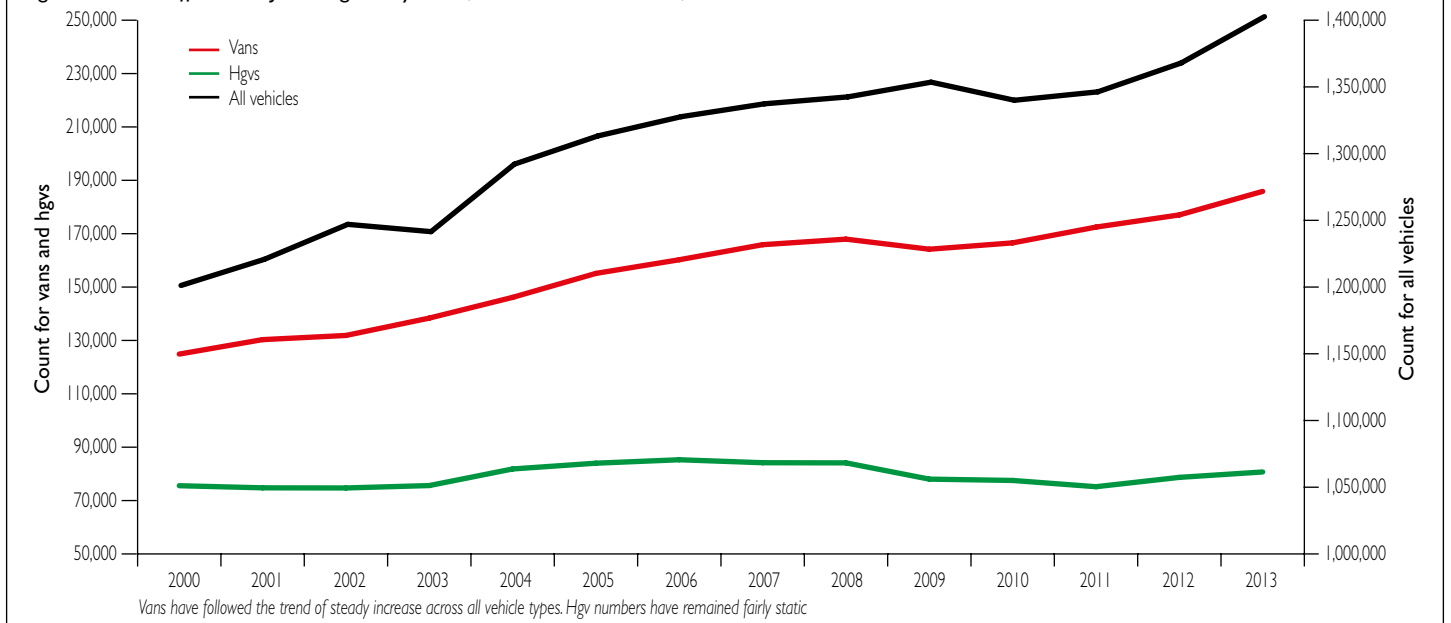
Glasgow traffic and congestion

According to the TomTom Traffic Index, Glasgow is the 15th most congested city in the UK, with a congestion level of 24 per cent, meaning that commuters are likely to see their journeys delayed by a quarter when compared with how long it would take to travel the same route on traffic free roads.¹² In 2013, overall traffic levels in Glasgow surpassed pre-recession heights and increased by 4.5 per cent on 2008 levels (figure 1). Van traffic rose steadily (10.6 per cent) whilst hgv traffic fell by 4 per cent in the same period, though hgv traffic increased in 2011, indicating an upturn in Glasgow's

economy. In 2012, nitrogen dioxide levels in Glasgow were 46.3 micrograms per cubic meter, above the legal European limit of 40mg/m³.¹³



Figure 1: Total traffic on major Glasgow city roads, thousand vehicle miles, 2000-2013



6 ONS Regional GVA NUTS3, 1997-2013 (Excel sheet 641Kb)

7 www.ifsdglasgow.co.uk/about-glasgow/economy-

8 www.understandingglasgow.com/indicators/economic_participation/unemployment/ilo_unemployment_trends/scottish_cities

9 www.understandingglasgow.com/indicators/economic_participation/comparisons/scottish_cities

10 www.payscale.com/research/UK/Location=Glasgow-Scotlandper cent3a-Glasgow/Salary#by_Gender

11 www.bbc.co.uk/news/uk-scotland-glasgow-west-30025966

12 www.tomtom.com/en_gb/trafficindex/#/

13 www.scotsman.com/news/environment/no-clean-city-glasgow-worst-in-uk-for-deadly-traffic-emissions-1-2543938

Edinburgh is the capital city of Scotland and is the second most populous city in Scotland and the seventh most populous in the United Kingdom.

- The population in 2013 was 487,500. Edinburgh lies at the heart of a larger urban zone with a population of 778,000
- Edinburgh has the fourth highest GVA per resident of all UK local areas and cities with the average being £38,134 per resident, outperforming the UK average of £23,394 and Scotland's average of £21,982¹⁴

- The city has an average annual output of around £18.6bn
- Male median salary is £31,373¹⁵
- Female median salary is £25,355
- In 2013, 71.7 per cent of the working age public were employed
- For April 2014, retail turnover in Edinburgh showed 3.9 per cent increase on the same period in 2013. This was higher than the increase in Scotland of 1.1 per cent and very similar to the UK average increase of 4.2 per cent¹⁶

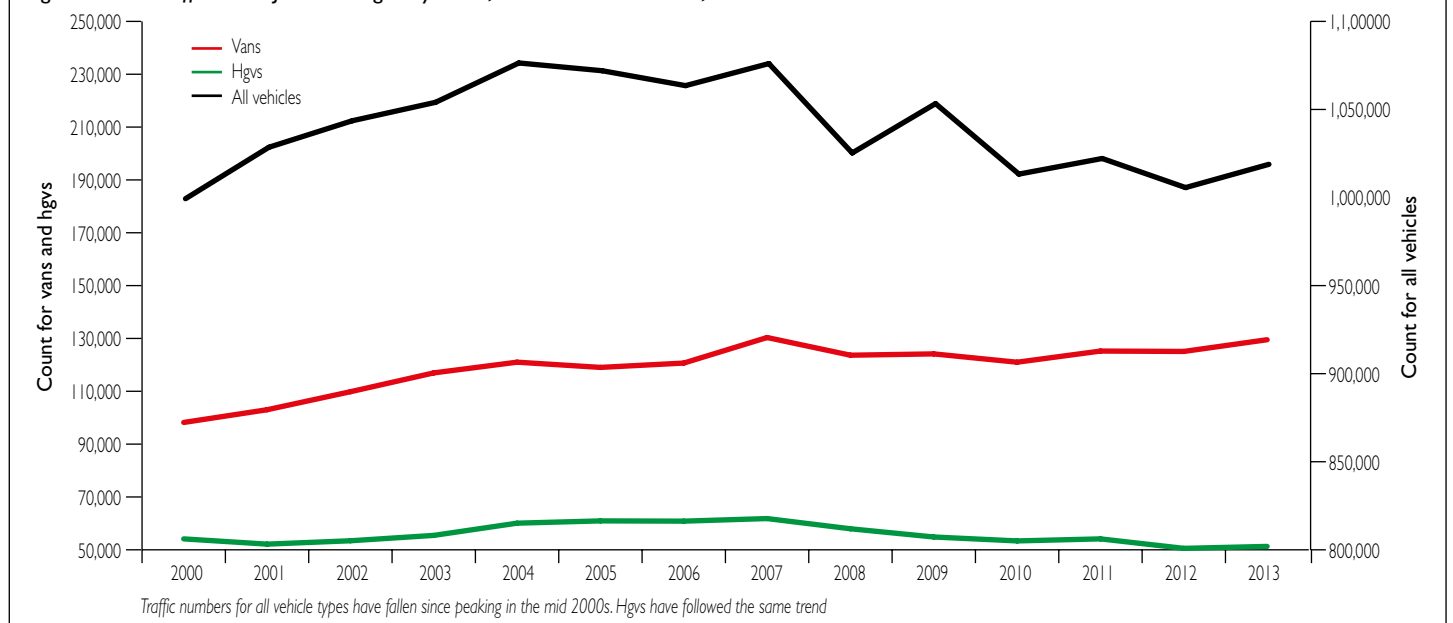
Edinburgh traffic and congestion

The TomTom Traffic Index puts Edinburgh as the third most congested city in the UK, with a congestion level of 36 per cent, behind London (37 per cent) and Belfast (39 per cent).¹⁷ This means that commuters are likely to see their journeys delayed by more than a third when compared with how long it would take to travel the same route on traffic free roads. However, overall traffic levels have fallen by nearly 1 per cent since the onset of the recession and hgv traffic fell by 11.5 per cent since 2008 (figure 2). Following national and UK trends, van traffic rose by nearly 5 per cent over the same period. In 2013 there was a slight increase in traffic levels (though hgv traffic remained unchanged); this indicates that as the economy recovers there will be more traffic and more delays.

The most likely reason for the high congestion levels coupled with falling traffic is due to the extensive tram works which took place from 2008 until May 2014 when the tram system opened. During this period roads were closed causing disruption and congestion, while at the same time fewer vehicles entered the city.



Figure 2: Total traffic on major Edinburgh city roads, thousand vehicle miles, 2000-2013



¹⁴ ONS Regional Gross Value Added (Income Approach), December 2014
¹⁵ www.payscale.com/research/UK/Location=Edinburgh-Scotlandper cent3A-Edinburgh/Salary#by_Gender

¹⁶ www.edinburgh.gov.uk/meetings/meeting/3448/economy_committee
¹⁷ www.tomtom.com/en_gb/trafficindex/#!/

Aberdeen is Scotland's third most populous city, one of Scotland's 32 local government council areas and the United Kingdom's 37th most populous built-up area.

- The population in mid-2014 was estimated at 228,990
- GVA per head of population for Aberdeen City & Shire is £36,242¹⁸
- Aberdeen City & Shire has an estimated annual output of £15.2bn

- Male median salary is £39,817¹⁹
- Female median salary is £26,875
- In 2013, 77.3% of the working age public was employed
- Aberdeen is the centre of the UK's oil and gas industry which has extracted 40 billion barrels of North Sea oil
- As of 2013, Aberdeen remained a major world centre for undersea petroleum technology
- Aberdeen has Europe's busiest commercial heliport

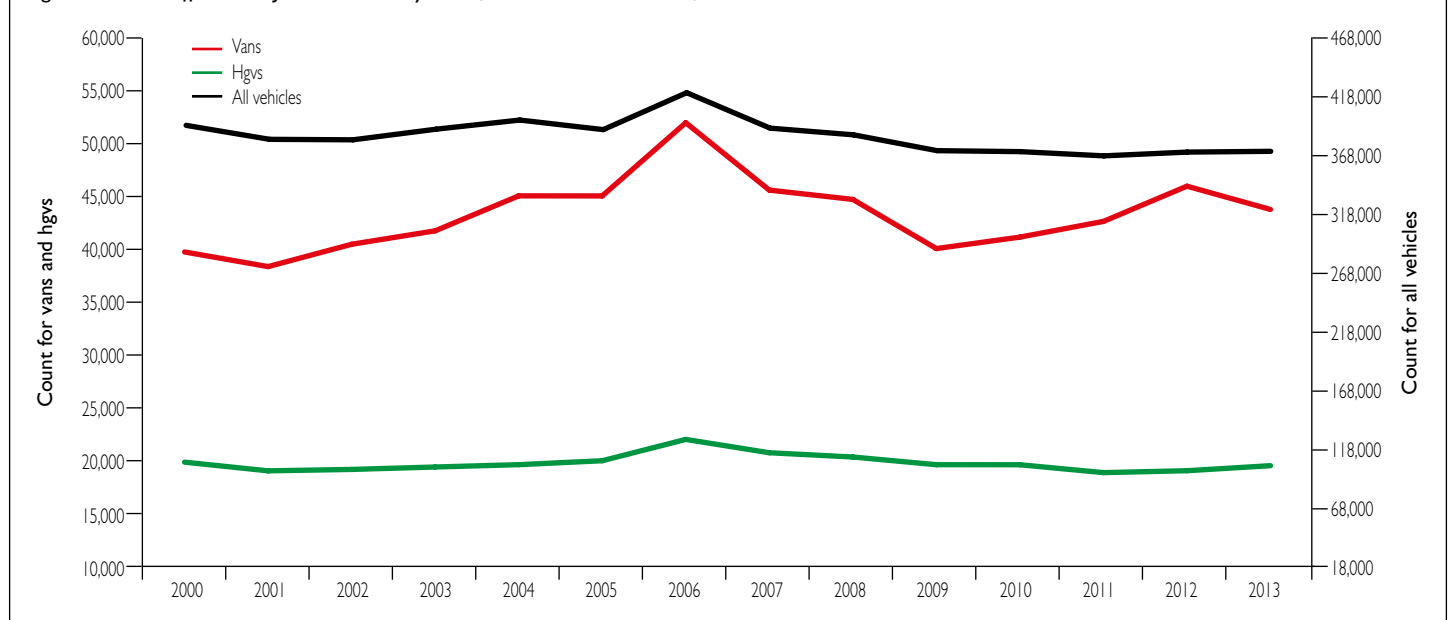
Aberdeen traffic and congestion

Research by DirectLine in 2012 found that Aberdeen drivers travelled at an average of 12.7mph in rush-hour traffic and suffered average delays of 6.5 minutes compared to off-peak hours – using this measure of congestion, Aberdeen was the most congested city in Scotland.²⁰ Traffic in Edinburgh moved a little faster, with a peak-hour traffic speed of 13.6mph, although delays averaged less than 4 minutes. Glasgow has the highest average speed, of 16.4mph, and delays of 4.7 minutes. Aberdeen Western Peripheral route began construction on 19 February 2015 and will shave up to 27 minutes off commuting time when it is completed in 2018.

Overall traffic levels have fallen by nearly 4 per cent since the onset of the recession, hgv traffic fell by 4 per cent and van traffic decreased by 2 per cent since 2008 (figure 3).



Figure 3: Total traffic on major Aberdeen city roads, thousand vehicle miles, 2000-2013



¹⁸ www.aberdeencity.gov.uk/
¹⁹ www.payscale.com/research/UK/Location=Aberdeen-Scotland%3a-Aberdeen/Salary#by_Gender

²⁰ www.scotsman.com/news/transport/aberdeen-is-traffic-jam-capital-of-scotland-1-3435274

Scotland: population and economy

Scotland's population is 5.3 million, and is expected to reach 5.4 million by 2017 and 5.7 million by 2032²¹

- 2.6 million people are in work each day²²
- Employment rate of 74.2 per cent is higher than the UK rate of 73.4 per cent
- Unemployment rate of 6 per cent is higher than the UK rate of 5.6 per cent
- Scottish Gross Domestic Product (GDP) grew by 0.6 per cent during the fourth quarter of 2014²³
- On an annual basis, comparing the latest quarter (2014 Q4) with the same quarter in the previous year (2013 Q4), GDP grew 2.8 per cent
- Scotland's cities and their regions account for 53 per cent of Scotland's population and provide two-thirds of its exports and 68.7 per cent of Scotland's total GVA²⁴
- Scotland's GVA in 2013 was £117 billion²⁵
- Scotland's median earnings were the third highest of the 12 UK countries and regions (with only London and the South East having higher average earnings). Median weekly pay (full-time workers) for men is £544.30 and for women is £454.00²⁶

21 Projected population of Scotland (2012-based), National Records of Scotland

22 Regional Labour Market Statistics, Office for National Statistics

23 www.gov.scot/Topics/Statistics/Browse/Economy/GDP2014Q4

24 Keith Brown, secretary of the Scottish Infrastructure, Investment and Cities

25 www.ons.gov.uk/ons/dcp171778_388340.pdf

26 ONS Annual Survey of Hours and Earnings, Office for National Statistics

About FTA

Freight Transport Association (FTA) is one of Britain's largest trade associations, and uniquely provides a voice for the whole of the UK's logistics sector. Its role, on behalf of over 14,500 members, is to enhance the safety, efficiency and sustainability of freight movement across the supply chain, regardless of transport mode. FTA members operate over 200,000 goods vehicles – almost half the UK fleet – and some one million liveried vans. In addition, they consign over 90 per cent of the freight moved by rail and over 70 per cent of sea and air freight. FTA works with its members to influence transport policy and decisions taken at local, national and European level to ensure recognition of the needs of the industry's supply chains.

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