

Scottish Parliament Elections 2016

A Freight Manifesto for Scotland



Delivering a better Scotland

425,000 tonnes of freight are needed by lorry every day to keep Scotland functioning

More than 40% reduction in accidents involving hgv's or vans in last decade

Invest to ensure transport networks remain open for business

NOx emissions 99% lower in today's trucks than those sold in 1990s

More use of rail and water could help make Scotland cleaner and safer

LEZs not the only or best way to improve local emissions quickly

DELIVERING SAFE, EFFICIENT, SUSTAINABLE LOGISTICS

What logistics and Scotland can achieve

FTA believes that working with the logistics industry the next Scottish Government and Scottish Parliament can make Scotland a better place to live and work. It can become more prosperous, cleaner and safer. But the wrong measures could, despite sounding superficially attractive, hold back these same objectives.

FTA believes that as far as logistics and the needs of Scotland are concerned, improvements can be made.

The illustration opposite sets out the key objectives that can be realised and the right policies for achieving them.

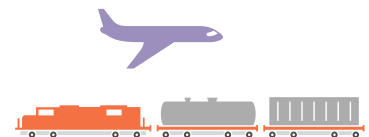
FTA IN NUMBERS



15,000 members make us the UK's largest and most trusted transport trade association



Our members operate over **half of the UK lorry fleet**



FTA members consign **over 90% of rail freight** and **70% of UK exports by sea and air**

Over **200,000** heavy goods vehicles are operated by FTA members



Over **50,000 queries** are handled from members every year



We train over **10,000** people every year



Over **360 staff** are available to support our members



A BETTER SCOTLAND

Stronger economy

Invest in key road trade routes

Support rail freight development

Support skills development for logistics

Recognise aviation and freight shipping policies

Support secure lorry parking policies

Resilient transport network

Invest in key road trade routes

Ensure transport infrastructure resilience

Support skills development for logistics

Support safety investment on freight

Support secure lorry parking policies

Cleaner environment

Support alternative fuel infrastructure development

Support rail freight development

Support out-of-hours freight deliveries

Ensure transport infrastructure resilience

Support secure lorry parking policies



The challenge of freight in Scotland

Whatever you eat today, whatever you wear and however you travel, there is no getting away from your dependence on logistics. Food, clothing and fuel are such staple foundational blocks for everyday life that it is easy to forget about them. However, behind the shirt you pull off the shelf or bread you butter before work there is an incredible story of skill, dedication and organisation that goes into getting it all where you want it, when you want it.

From Kingussie to Kilmarnock, and from Dunoon to Dunbar there is a constantly moving network of people, lorries and trains working 24 hours a day to transport goods to market, and performing a crucial role in the supply chain, without which the Scottish economy could simply not survive.

Every year Scotland needs over 150 million tonnes of goods move by lorry. That is over 425,000 tonnes every day to keep Scotland functioning. And as that is just HGVs, it is only a part of what freight does.

Anything that makes logistics more efficient in Scotland makes the country a more attractive place to do business, as well as helping manage the cost of living. But, likewise, any costs that are added to freight are ultimately borne by the business community and the residents of Scotland.

The value of logistics to the Scottish economy has been estimated at £4.6 billion. FTA represents its members in a variety of different ways. As a democratic organisation, FTA takes soundings every quarter from its members to ensure that it is truly reflecting the needs of the logistics industry. With a membership of over 1,000 businesses and organisations across Scotland, drawn from the movers of goods by road, rail, sea and air, FTA is also a complete voice for the logistics industry.



The future

The Scottish Government has core policy agendas around growing, internationalising and re-balancing (re-industrialising) the Scottish economy. The actions laid out in this document would help deliver these objectives.

Key issues for freight and transport policy

FTA believes that by working with the logistics industry, the next Scottish Government and Parliament can:

- support economic growth in Scotland and manage the cost of living
- make the transport network more resilient
- reduce environmental impacts



FTA members have identified 10 key issues that the Scottish Government should act on that would help advance this agenda.

- Improve the resilience of all transport infrastructure from engineering or weather related disruptions – especially key points such as the Forth Road Crossing
- Further develop trade routes across Scotland by improving key roads – particularly M8/M80/M74, A9 dualling, A96, Aberdeen Western Peripheral Route, A1 to English border, also A82
- Facilitate mode shift away from road where possible by investment in Scottish rail infrastructure, particularly the East Coast Main Line – Scottish Central belt gauge clearance (to provide alternative routing to the West Coast Main Line)
- Lorry parking – provide leadership and guidance to the facility developers and local planning authorities to plug the gaps in provision by encouraging investment into safe and secure parking facilities across the national road network
- Logistics skills shortage – work with the Department for Work and Pensions and Skills Development Scotland to help fill vital vacancies and promote careers in logistics
- Support out-of-hours deliveries, with benefits for congestion, safety and the environment
- Develop the alternative fuel infrastructure to create options for goods vehicles for further environmental improvement
- Introduce Low Emissions Zones only as strictly needed and avoiding significant economic disruption
- Safety – work with road users including freight operators to identify and take forward actions which will further reduce the number of fatal/serious accidents
- Aviation and shipping – secure the quality of the Scottish supply chain through all British gateway ports and airports, including via effective lobbying of UK authorities

Stronger economy

The logistics industry represents around 5 per cent of the workforce in Scotland, and employs approximately 113,200 people across Scotland in a range of different logistics jobs; proving that it really is the linchpin to a successful and enterprising Scottish economy.

Road infrastructure

The M8/M80/M74 corridor is of great strategic importance to Scotland, as are the A9 and A96, A82 and A1, providing cross-border as well as internal regional links within Scotland. The Scottish Government must remember that transport is regularly listed as a top consideration for international businesses when deciding where to invest; and that, in terms of economic benefit, transport investment yields several times what it costs. The Scottish supply chain moves goods by road much more than other modes, and so maintaining targeted road investment after consultation with industry is vital to securing Scotland's economic future.

Given the nature of the Scottish supply chain as a net exporter reliant on cross border links to the gateway haven ports of Britain, it would be a mistake for the Scottish Government to look at issues affecting Scotland in isolation. Many strategic routes on road, and almost all

key routes on rail, run across the border into England, principally along the two main trading synergies of the A1 and M74 corridors, and therefore a healthy working relationship with the authorities managing transport in England is important.

It is vital for the logistics industry that the strategic road schemes listed above are made a priority, and that funding is secured.

To maximise economic growth, Scottish Government must identify and maintain efficient trade routes right across Scotland.

Rail freight

FTA is a pan-modal organisation, reflecting Scotland's and the whole UK's multi-modal supply chain. To help with reducing emissions from commercial transport, it is vital that the greenest modes of transport are given the



opportunity to thrive. Each freight train is responsible, on average, for removing 48 lorries from the roads. The Scottish Government plays a key strategic role in deciding access to the rail network in Scotland, and it is vital that the temptation to allow passenger interests to dominate the agenda completely is resisted.

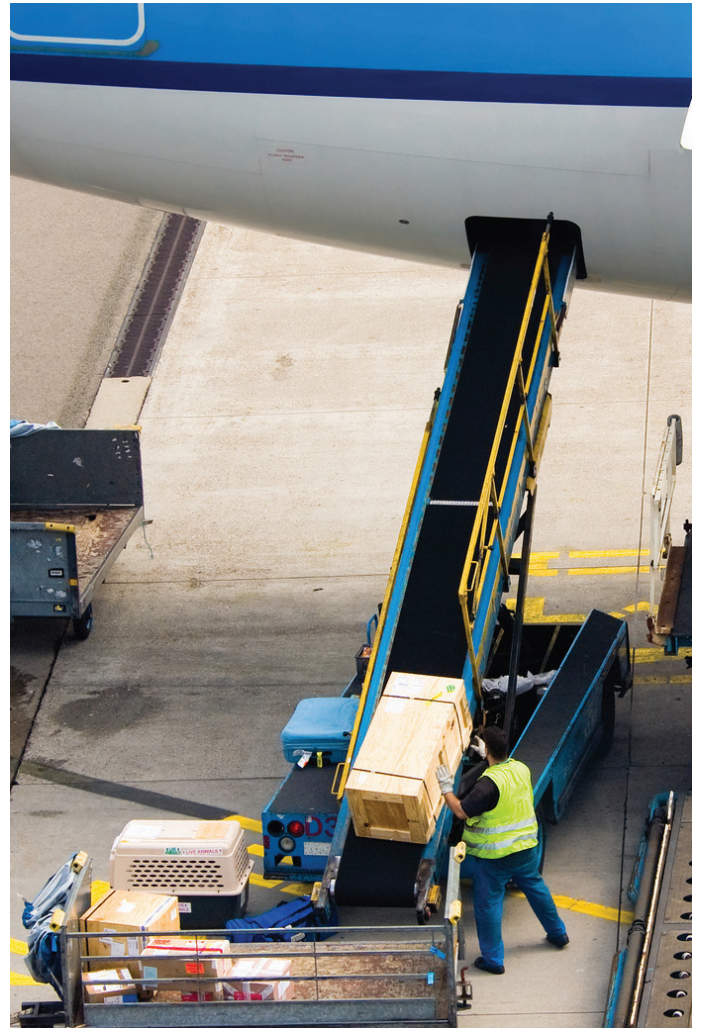
Local concerns are, of course, important but should not prevent the development of much-needed nationally significant infrastructure. This can be the case with many developments of importance to the supply chain, and rail freight in particular. Plans to develop rail freight interchanges are rarely popular locally; however, they bring huge economic and environmental benefits. FTA urges MSPs when considering changes to the planning system to balance the concerns of local residents with the need to develop national infrastructure of an international quality.

Rail freight in Scotland, as elsewhere in Britain, is constrained through lack of gauge clearance (ie having the available space above the tracks large enough to take containers on standard wagons), particularly on the East Coast Mainline and on the routes from the central belt to Aberdeen and Inverness. Failure to move forward with improvements to gauge clearance along these routes would constrain the Scottish rail freight network, and negatively affect the capability to target key growth markets, such as intermodal containers and retail traffic. It is important, therefore, that the Scottish Government continue discussions with Network Rail to ensure that funding constraints or organisational changes do not jeopardise potential growth opportunities in Scotland, especially cross-border Anglo-Scottish freight and inter-regional Scottish domestic flows.

It is important that Network Rail looks seriously at the freight constraints of the existing network. MSPs are encouraged to keep this issue high on the policy agenda.

Aviation and shipping

The UK port sector is largely privatised and deregulated. However, port and harbour authorities are established by an Act of Parliament and have statutory powers and responsibilities. In Scotland, private ports predominate and, as well as being nodes for transfer of goods from land to water, they also support a range of related industries and functions, ranging from full scale manufacturing and processing to storage and consolidation of cargo in transit. Most international freight arrives or leaves the UK by sea



and the Scottish share of UK port traffic was just over 14 per cents at 71.4 million tonnes (in 2014). The three major ports (Clydeport, Forth Ports and Aderdeen) carry the bulk of all Scottish throughput.

A huge proportion of the goods leaving Scotland for non-UK destinations are moved by ships and planes which leave from England. The most significant airport for the Scottish supply chain is Heathrow, and the most significant ports are the English southern ports (Felixstowe, London Gateway, Southampton and Dover). It is important that the Government and MSPs understand this relationship and the trend in international shipping and aviation to hub out of key central locations in northern Europe. With Scotland too far north to be a main port of call, it is therefore reliant on quality road and rail links to these hubs. Improving Scotland's aviation and shipping supply chain is not exclusively about airports and ports in Scotland.

It is essential to secure the quality of Scottish supply chains through English haven ports and airports via effective lobbying of UK authorities.

Resilient transport networks

The resilience of transport networks is a critical issue for the economic success, well-being and security of Scotland.

Key transport routes

As an example of the problems disruption to transport networks causes, the closure of the Forth Road Bridge on 3 December 2015 (and then the subsequent announcement that it would not re-open to HGVs until mid-February) was a devastating blow for the logistics industry. The bridge underwent repairs to a crack in the steelwork and was due to re-open to all vehicles on 4 January. Transport Scotland announced on 22 December that cars, buses and coaches could cross again on 23 December, but HGVs weighing more than 7.5 tonnes would have to use an alternative route until permanent strengthening work was completed. This was after the industry had been offered reassurance that the bridge would re-open to all vehicles on 4 January. The additional costs and fuel emissions incurred by the 50-mile diversion were significant, especially when contracts had already been signed – and there was no opportunity to recoup

the costs. FTA members have reported extra costs of thousands of pounds a day for the additional mileage and staff needed. One said: “If you consider that in recent days we have run between 20 and 40 vehicles a day, in rough terms it is costing us between £2,000 and £4,000 per day.” The bridge finally re-opened to HGVs on 20 February 2016.

This incident is merely the most high profile example of the costs that disruption to transport networks can cause. Whether it is due to the condition of physical infrastructure or increasing extreme weather incidents, the Scottish Government must invest to ensure the network remains open for business at all times.

It is essential to ensure that everything possible is done to minimise further disruption for freight transport operators and the resilience of transport infrastructure in Scotland.



Skills

The UK logistics industry is suffering from a shortage of HGV drivers. This is true of Scotland too. The latest Scotland Labour Market statistics published by the Office of National Statistics (ONS) show that the number of HGV drivers claiming Jobseeker's Allowance is now at its lowest level for 10 years and is 92 per cent lower than the recession peak in 2009.

Some Government training funding is currently restricted from being used for gaining an HGV licence, and apprenticeships are confusing and the administration involved is an unwanted burden. More work also needs to be done within schools and career advice.

It is necessary to work with the industry to finding a long-term solution to the training funding problem and help promote the industry within schools.

Lorry parking

Over the last 10 years, there has been a worrying trend towards thefts both of vehicles and loads; often accompanied by horrifying attacks on the drivers. Recent data from Freight Watch International (FWI) has dramatically revealed that the UK is the third worst place in Europe for cargo theft, behind the current hotspots of Netherlands and Germany. The FWI annual review which covered incidents of cargo theft, showed a significant year-on-year increase of 39 per cent. These figures do not reflect the crimes reported to all of the combined law enforcement agencies, and so the underlying trend could be even higher. The most vulnerable situations are overnight stops at unsecured truck parks, lay-bys and motorway services. Here, a truck's 'curtain sides' may be cut or rear container doors forced open, often during the driver's rest period in the cab.

Government must work in partnership with the freight transport industry and the police to fight truck crime. In addition the Scottish Government must work with its Westminster counterparts to develop a Britain-wide strategy for providing safe parking for lorries.

Safety

Whatever the mode of transport, there is nothing more important to the logistics industry than safety. Britain prides itself on having the safest commercial road fleet



in Europe, operated by the safest drivers. Our demand for goods does not begin and end at the UK's borders. As a result, many overseas vehicles enter the country, but while our domestic fleet may adhere to some of the toughest safety regulations, in terms of driver training and driving hours along with the roadworthiness of the vehicle itself, those from other European nations may not. It is important that the Scottish Government takes all opportunities to promote road safety at an international level.

This commitment to safe performance is borne out by the ever-improving accident statistics in Scotland. In 2014 there were 871 light goods vehicles and 417 heavy goods vehicles involved in accidents on Scottish roads. This is a 41 per cent reduction for HGVs and a 47 per cent reduction for vans against the baseline 2004-08 average – outperforming the road transport average of a 30 per cent reduction.

Nevertheless, there is still much work to be done. Safety is about partnerships between different users and a coalition of different demands working together. This means education both for lorry drivers and other users on how to act around each other.

A new Government must work with road users, including freight operators, to identify and take forward actions which will potentially reduce the number of fatal/serious accidents further.

Cleaner environment

Tackling Scotland's air quality is one of the Government's responsibilities, however the freight industry is playing its part in reducing emissions.

Policy makers should note the progress heavy duty vehicles, such as buses and lorries, have made through the Euro standards. Unlike the recent questions over cars meeting their supposed Euro requirements, significant on-road testing has demonstrated that Euro VI is delivering its target performance for lorries and buses (see graph).

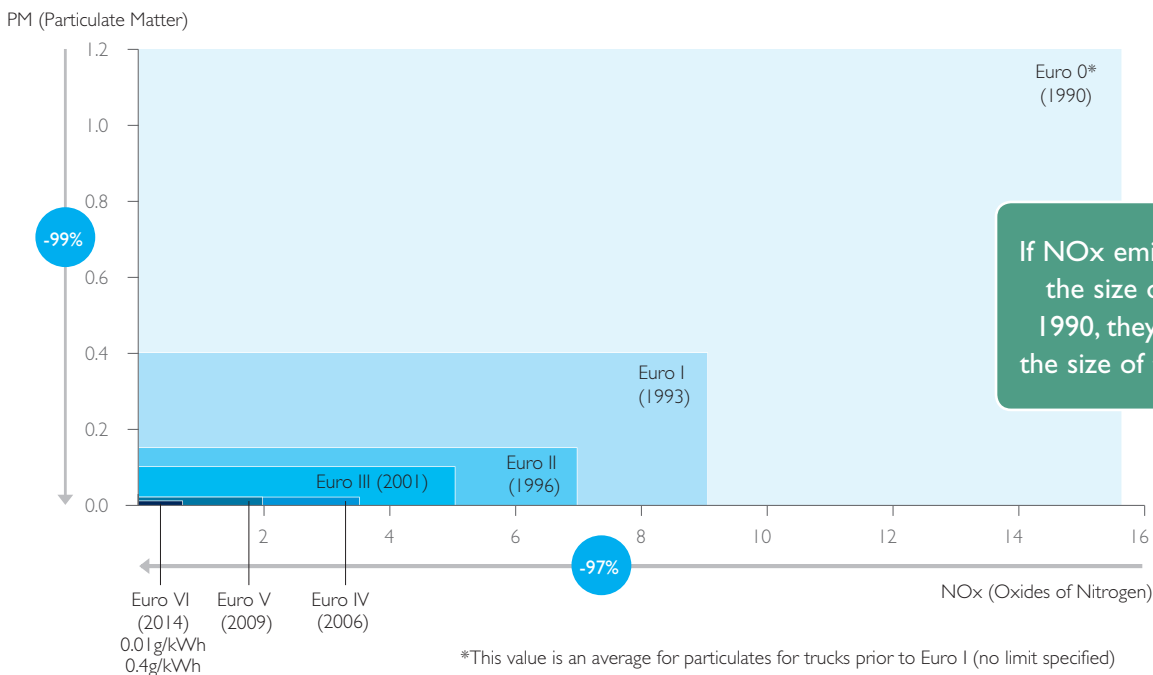
Euro VI engines have Oxides of Nitrogen (NOx) emissions that are 97 per cent lower than the pre-Euro average, and Particulate Matter (PM) levels 99 per cent lower. Even looking at the improvements over just a more recent time period, the new standard is 92 per cent lower for NOx and 90 per cent lower for PM than the standard introduced in 2001 (Euro III).

Scotland has set some tough climate change targets to be met over the coming years, over and above the targets set for the UK by the Westminster Government. The Climate Change (Scotland) Act requires a minimum 42 per cent cut in emissions by 2020 and 80 per cent by 2050. This requires a serious commitment from every facet of Scottish life, including its commercial transport.

This puts a serious onus on the logistics industry; and sets a challenge that the industry is embracing enthusiastically. Alongside the adoption of vehicles that subscribe to ever-higher Euro emissions standards, Scottish logistics companies are innovating constantly.

Out-of-hours deliveries

To promote the potential emissions, safety and efficiency benefits from out-of-hours deliveries, FTA has been working closely with the Noise Abatement Society, Transport for London and the Department for Transport in order to promote quiet operations allowing relaxation of delivery curfews. Moving deliveries away from peak periods to the night-time and also during the 'shoulders' of the day can potentially offer significant environmental and social benefits, such as reducing vehicle emissions leading to improvements in both local air quality and local road safety. FTA would be keen to discuss this in detail with the Scottish Government with the aim of identifying areas where such a scheme could be adopted in Scotland in the future. This would build on the legacy which began





with the work done to service and deliver in Glasgow and other Scottish cities during the Commonwealth Games.

It would be useful to develop an understanding of the feasibility of consolidation centres for Scottish cities and towns. These hubs can provide a warehousing and distribution connection for HGVs to transfer their goods to dedicated vehicles for urban deliveries, thus easing congestion on the road network. There are limits to this approach and, in many cases, consolidation is already carried out by the logistics industry. But it is an issue worth exploring further on a case by case basis, though it has to have a practical business case backing.

Government needs to support out-of-hours deliveries with local authorities.

Alternative fuel infrastructure

Operators increasingly wish to make use of alternative fuels for appropriate operations. The best option for vans and smaller HGVs at present is electric. For larger HGVs (above 12 tonnes), gas options are the most viable currently. The Government should work with trunk road operating companies and local councils to ensure that charging/refuelling infrastructure is available as this will be a key driver for increasing their use in the short to medium-term.

Government needs to support improved alternative fuel infrastructure.

Scottish Government low emission strategy

FTA believes 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 at all available policy options.

Low emission zones are a blunt and expensive tool that deliver mixed results on air quality. Unlike diesel cars, the latest generation of HGVs and buses are performing to the expected standards, so emissions from this sector will decrease rapidly without further action – as new vehicles populate the fleet. There are many actions, such as traffic flow improvements or facilitating out-of-hours deliveries, that would help improve local air quality in towns and cities quicker than LEZs whilst also delivering other social and economic benefits.

FTA asks the Scottish Government not to pre-emptively elevate Low Emission Zones (LEZs) to a prime position above all other interventions when there is no clear case to do so. The best local solution (balancing costs and benefits) may involve other options.

FTA also 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. A voluntary industry-led approach to reducing carbon emissions, such as through the FTA's Logistics Carbon Reduction Scheme, should be pursued.

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