



North East Scotland Freight Forum – Monday 18th March 2013

Douglas Hotel, 43-45 Market Street, Aberdeen AB11 5EL

In Attendance:

| | Forename | Surname | Organisation |
|------------|-----------|------------|---|
| | Eddie | Anderson | ARR Craib |
| | Cameron | Baillie | Aberdeen City Council |
| | James | Bream | Aberdeen & Grampian Chamber of Commerce |
| | David | Chalmers | Higgins |
| | Peter | Clark | Scotch Whisky Association |
| | Tom | Curry | DRS |
| | Rab | Dickson | Nestrans |
| | Rachel | Elliott | Aberdeen & Grampian Chamber of Commerce |
| | Paul | Finch | Aecom |
| | Phil | Flanders | RHA |
| | Richard | Freeland | Freeland Freight Service |
| | Catherine | Hall | Network Rail |
| | Gordon | Holland | Moray Council |
| | Tricia | Howden | Nestrans |
| | Ian | Jessiman | Aberdeen Harbour Board |
| | Bryan | Kenny | Road Haulage Association |
| | Michael | Langford | Keith and Dufftown Railway |
| Councillor | Graham | Leadbitter | Moray Council |
| | Colin | Mackenzie | Highland Timber Transport Group |
| | Jim | May | Transport Scotland |
| | Ian | McCleod | Macpherson Ltd |
| | Mike | McDonald | Grampian Police |
| | Peter | McGarry | John G Russell Transport |
| | Keith | McIntyre | Iggesund Forestry |
| | Robert | McLean | Carntyne Transport Company |
| | Wilson | Metcalfe | HITRANS |
| | Derick | Murray | Nestrans |
| | Douglas | Norris | Scot FLAG & CILT |
| | Rod | Palmer | Searoute Port Services Ltd |
| | Vycki | Ritson | Aberdeen City Council |
| | Frank | Roach | HITRANS |
| | Anthony | Robertson | Aberdeenshire Council |
| | Graeme | Scott | Diageo |

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|---------|---------|------------------------|
| Philip | Smart | GreCOR |
| David | Spaven | Rail Freight Group |
| Roland | Stiven | Timber Transport Forum |
| Claudia | Stuerck | Aberdeenshire Council |
| Stuart | Thomson | Macpherson Ltd |
| Gareth | Wilks | Transport Scotland |

Apologies:

| | | |
|---------|-----------|-----------------------|
| Ian | Armstrong | SCDI |
| Lindsay | Dall | Peterson SBS |
| Anne | MacKenzie | Network Rail |
| Allan | Malcom | Peterson SBS |
| Jason | Moir | Dyce Carriers |
| Mark | Skilling | Aberdeenshire Council |
| Ewan | Wallace | Aberdeenshire Council |

Introduction (Eddie Anderson, ARR Craib)

Chair of North East Freight Forum, Eddie Anderson welcomed everyone to the event. In introducing the morning’s seminar on rail freight he addressed the public perception that road hauliers do not want to use rail, saying that this is a misperception and that the industry welcomes rail freight. Hauliers such as ARR Craib see rail freight as being an item in the menu of services they can offer customers, whose concerns are less about the actual mode used to deliver goods and more about delivery time and cost.

Morning Session - Road to Rail Seminar

Opportunities for Moving Goods by Rail (David Spaven, RFG)

David Spaven from the Rail Freight Group (RFG) delivered the above titled presentation to delegates.

David explained the economics and benefits of rail. High fixed costs can be involved and due to these it tends to be a volume-hungry business, with many payloads being over 500 tons. It also tends to require long-haul trips. In addition non-bulk traffic does also then require collection or delivery via road.

The advantages however are:

- Low unit costs
- A timetabled service which is not affected by road congestion
- Greater fuel efficiency (fuel accounts for around 25% of rail freight costs as opposed to around 40% of road freight costs)
- Rail generates only about a third of the CO₂ than hauling the same load by road
- Superior safety record
- Relief of “sensitive” roads – eg the A9 and Tesco’s move to rail for this corridor

David explained that recent years have seen a slight reduction in road freight. Total rail freight has remained broadly the same, but there has been growth in the area of inter-modal freight.

The Scottish Government provides support in the form of terminal and service grants, such as the Freight Facilities Grant and Modal Shift Revenue Grant.

David highlighted some opportunities to further expand rail freight traffic, particularly in Moray with Elgin and Keith's railheads. Although Keith is currently not in use it is a Network Rail "Strategic Site" and could potentially be used again.

Rail freight could potentially be used to transport:

- retail goods
- whisky
- barley and malt
- fish
- other foodstuffs
- waste
- timber
- biomass
- North Sea oil

Some of the operational issues which must be addressed however are:

- Price and service must be competitive with road haulage
- There is currently only 1 intermodal departure daily from Aberdeen
- Traffic volumes are spread thinly across 3 hauliers
- The cost of road collection / delivery
- Limited gauge clearance in some places which requires special containers / wagons
- Long trains need long loops to pass by stations

David then suggested some ways to work towards achieving modal shift, such as:

- Co-operation between road hauliers to develop enough of a "critical mass" to get enough goods onto rail freight to justify another train
- Co-operation between logistics operators
- Being able to offer a choice of daily intermodal departure times
- Identify opportunities for balanced flows (where freight containers don't have to return empty but can carry something else on the return trip)
- Deploy Super Loadliner wagons which allow larger loads without upgrading the infrastructure
- Review the gauge situation

David concluded by emphasising that in terms of opportunities, there is currently spare capacity available at yards in the north east and on trains to/from Aberdeen.

Q & A Panel (Eddie Anderson, David Spaven, Tom Curry (DRS))

Discussion centred around the possible opportunities for further rail freight from Aberdeen.

Reference was made to a study undertaken about 5 years ago into the feasibility of moving waste from Aberdeen City Council and Aberdeenshire Council down to Shotton in a combined rail load. Although there are trainload quantities, the costs of providing the specialist equipment required for handling the waste at the processing plant was prohibitive.

Some operators felt that the grants system was complicated and could potentially be off-putting. Delegates from Transport Scotland explained that the grants are regulated by EU's State Aid laws and they have to abide by the conditions set. They are, however, very willing to help any operator in applying for a grant. Transport Scotland explained they would be happy to meet with operators and guide them through the grant application process, and

urged any operator considering applying for a grant, or struggling with an application, to get in touch with them.

Discussion moved on to the fact that passenger rail services are also increasing in number, and it was felt that further investment was needed in both passenger rail and railfreight and that any investment needed to maintain a balance between the two. A particular concern was the increase in demand for passenger services between Inverurie and Huntly, which could eat into the freight capacity unless investment is made in upgrading the infrastructure.

Timber freight was also discussed. This involves high capital costs in maintaining the railheads yet the price of timber can be volatile. For example, 7 years ago saw the bottom fall out of the market with the knock-on effect of significant price drops and then drops in the volume of freight from the west Highlands. Some good omens were observed however, with timber railheads opening again in the UK. This raised the possibility that the railhead at Huntly could be used once again.

Another potential opportunity discussed was the electrification of the line up to Aberdeen. It was asked whether an upgrade to electrification would automatically mean an increase in gauge. The answer was that bridges upgraded to cope with electrification have to be rebuilt for at least 9'6" tall containers, so electrification would allow for larger containers to be carried.

The Scottish Government has tasked Network Rail towards electrifying lines at a rate of 100 track km per year, but this will develop from the existing electrified section. Electrification to Aberdeen was deemed unlikely in 2014-2019 as it has not yet made it as far as Fife, although it was said to be possible after this.

Lessons from HITRANS' Whisky Project (Frank Roach, HITRANS)

HITRANS, in partnership with Highlands and Islands Enterprise, Moray Council, Scotch Whisky Association and Network Rail are looking to trial a rail freight service to transport whisky.

A whisky logistics study was undertaken in 2011, which found that although production of whisky was undertaken mostly in remote areas, the bottling and storage is done in central Scotland. This requires the whisky to be transported, mostly on single carriageway roads, which leads to resilience issues particularly in winter. The study found that 48% of the lorry journeys on the A95 were whisky related.

Frank cited the EU's target to have 30% of freight transported by rail or water by 2030 and 50% by 2050.

HITRANS plans to transport spirits in bulk from Speyside (where 85% of all malts are produced) to the central belt for bottling and storage.

The plan is for the rail haulage, tank hire and logistics equipment to all be procured by HITRANS. Distilleries would still be responsible for managing delivery and collection to and from the rail terminals via road. Because the plan would still require road hauliers, it was felt that there would not be any adverse economic impact on them.

HITRANS has committed £70,000 of funding, supported by money from Highlands and Islands Enterprise and Moray Council, drawing in £147,000 of European InterReg funding into an overall project budget of around £267,000. This will support a part-time project manager and enable implementation from summer 2013.

Currently no trains are actually running, however bids have been invited and the partnership are currently in the process of deciding on their preferred bidder.

Logistics management still has to be procured, a traffic plan and an accounting system are still to be developed and an academic partner is still needed.

The plan is however that the project will be see implementation by summer 2013. It will then be wrapped up by February 2014 as the money is only available until then.

One aim with this project is to give *all* distilleries an opportunity to use rail freight, not just those that are nearest a terminal.

At the moment it is not yet known how many trains will actually run as the cost of running one still needs to be calculated. The most likely route, however, appears to be Elgin to Grangemouth.

The partnership have asked rail freight bidders to come up with innovative offers such as using spare space to haul other goods as well.

It is hoped that this project will be successful and in the future will be able to sustain itself without subsidy.

Afternoon Session – North East Freight Forum

Nestrans Update (Rab Dickson, Nestrans)

Nestrans' plans to refresh the Regional Transport Strategy would see it extending from 2021 to 2030, which would bring it in line with the North East's Strategic Development Plan (SDP). The aim is to better reflect the area's economic strategy, with up to date legislation and forecasts, and taking into account the SDP's plan for up to 72,000 new houses in the area.

Inveramsay Bridge:

Commitment by Transport Scotland to remove the section of single carriageway on the A96. Consultation has been undertaken on the options for Inveramsay Bridge and a preferred option has been identified. Geo-technical engineers have been appointed.

AWPR:

Supreme Court judgement was awarded in October 2012.

OJEU (Official Journal of the European Union) notice and invitations to tender will be going out in spring 2013. The contract should then be awarded in autumn 2014 and the plan is for the scheme to be completed by spring 2018.

The Balmedie – Tipperty dualling scheme has now been incorporated within the wider AWPR contract. Previous recommendations from the "locking-in" the benefits of the AWPR scheme are now being considered.

Other key schemes include upgrading the Haudagain roundabout (post AWPR), the 3rd Don Crossing, Berryden and College Street, pedestrianisation and the airport link road to Dyce Drive.

Supporting schemes include Park and Choose sites at Dyce Drive and Portlethen, and a railway station at Kintore.

These schemes are all committed with funding in place and represent around £1 billion of investment over the next 5-6 years.

Beyond these, further consideration would look into upgrading the rail infrastructure between Aberdeen and Inverness, as well as other rail improvements and dualling the A96 in addition to other schemes through the Strategic Transport Fund.

The rail plans generated some discussion; one issue was that the passenger service between Dyce and Aberdeen has very little capacity left. Regarding the plans for a new station at Kintore, it was asked whether this station would have a loop for freight services to pass through. Network Rail advised any decision around facilities would centre on the timetables.

Aberdeen Harbour: Directions for Growth (Ian Jessiman, Aberdeen Harbour Board)

Ian Jessiman provided some background information on Aberdeen Harbour, which currently deals with over 8,000 vessels a year, representing 100,000 crew members and a contribution of £500 million annually into the local economy.

The harbour has been in use for 876 years, and over the last 3 years investigations have taken place into options for expansion.

The harbour currently has to turn vessels away such as some of the subsea and specialist vessels, which at over 160m in length are too big for the Harbour to accommodate. Vessels seeking maintenance, or those off hire, are also often not accommodated.

Ian outlined 3 options for the Harbour's future:

1. Accept the Harbour's limitations and remain at the same size with its existing customer base, at the risk of losing business to other harbours (particularly in Norway).
2. Expand to the north. This however could be controversial with local residents and users of the beach. The planned site for expansion is also close to the city centre so it would contribute to traffic problems, and is also likely to cause disruption to the Harbour's existing business. There are environmental concerns with the River Dee being a Special Area of Conservation and dolphins close to the harbour. The gain in terms of operational land would also be fairly limited.
3. Expand to the south using Nigg Bay. The plan would be to only use the north side of the bay as the south side is home to a Site of Special Scientific Interest (SSSI). This would provide an additional 25% capacity and also allow the Harbour to handle larger vessels, such as cruise ships up to 300m in length. The site is also close to the railway line and the industrial areas of Altens and East Tullos. Other advantages include the fact that this site is clear of the city centre and would be less likely to disrupt existing traffic, and that there is more land potentially available for the Harbour to utilise. The coast road could be upgraded to provide better access, plus access from the south is likely to be easier via the AWPR and Wellington Road.

Ian showed a virtual fly-through of the planned Nigg Bay site and explained the timeline for expansion.

Currently feedback is being sought from the Case for Growth consultation. The plan after that is to consider deliverable options before settling on a preferred option, then build a business case and conduct an Environmental Impact Assessment. Consultation and community engagement will be sought before planning and other approvals.

The aim however is to deliver the new facilities within the next 5 to 10 years.

Ian explained that the harbour development is already mentioned in the Strategic Development Plan and that the Harbour Board have submitted a request to be included in the National Planning Framework too.

Freight Action Plan Progress

GreCOR project update (Philip Smart, Aberdeenshire Council)

Studies are ongoing, currently looking at connectivity in North East Scotland. Important to note that it is not just always about modal shift, however – but at efficient transport, whatever mode that takes.

Freight Distribution Study (Paul Finch, AECOM)

City Centre:

This study aimed to understand retail delivery patterns, the relationship between air quality and congestion, and to develop worthwhile interventions.

Loading surveys were carried out on Union Street, Market Street, and at the key retail centres in Aberdeen, Union Square, the Trinity Centre, the Bon Accord Centre and the St Nicholas Centre.

The surveys found a high percentage (68%) of the vehicles delivering around Union Street and Market Street were small vans, often delivering small parcels and frequently multi-dropping.

Adherence to loading restrictions was high at 90%, with most of those violations that did occur taking place around lunchtime.

Overall the surveys found:

- A high number of Euro 4 / Euro 5 compliant vehicles at over 75%.
- Small parcel deliveries were prevalent.
- The restaurant sector had a particularly high intensity of trips.
- An apparent clustering of distribution activity around Altens,
- There was relatively little “trunking” direct from central belt to retail centres other than that done by the major stores.
- Most delivery times were scheduled by the haulier / courier but around 35% of businesses did determine their own times.

A number of draft proposals have been proposed, including

- Dissemination of good practice for deliveries.
- Review TROs, loading restrictions and bus lane times, to achieve a more coherent and consistent “area wide” approach.
- Possibly make loading bays on side streets available throughout the day.
- Low carbon vehicles for servicing duties on Union Street.

Proposals for the longer term include ensuring that the results are used to inform any longer term development of Low Emission Zone proposals, and further consideration of delivery collaboration initiatives.

Dundee to Aberdeen:

Paul also explained a study undertaken on road freight between Aberdeen and Dundee, which aimed to build an understanding of regional freight flows, investigate the relationship with distribution hubs in the central belt and explore opportunities for rail freight or short sea shipping.

Video cameras and surveyors captured details of freight vehicles passing the Swallow Roundabout at Dundee, and matched these with observations made at the key entry points into Aberdeen, as well as a number of other strategic locations around Aberdeen. Details captured included registration plate details, their classification and what sort of containers they carried.

Whilst Paul was able to provide some initial results, further work was planned, particularly to validate vehicle flows at each site and also to account for other areas of interest; eg the harbour, Tullos and Altens estates.

Junction Revision Proposals (Vycki Ritson, Aberdeen City Council)

Vycki explained that the City Council has compiled a list of issues identified by the Freight Forum members and has assessed a number of junctions, with the following being some of the initial schemes suggested.

A947 / Dyce Drive

- It is proposed to widen the junction to enable larger vehicles easier access. Funding for this has been included in Nestrans' 2013/14 budget.

Howemoss Drive / Dyce Drive

- Proposed to widen this junction. Nestrans funding has been included in 2013/14 budget, although there is the potential for land ownership issues here.

Stoneywood Road / Stoneywood Terrace

- Stoneywood Road can get blocked by vehicles turning right onto Stoneywood Terrace.
- A major residential development is planned for Stoneywood which will provide a crossroads and a right hand turning lane

Mugiemoss Road

- Close to new development at Davidson Mill, which will contain a new spine road in development.
- Plan is to move Mugiemoss Road to join A947 at a new junction

Market Street

- Signals and timings have been changed in the last year
- Traffic can no longer go straight on from Virginia Street to Guild Street but is directed left onto Market Street instead.
- This is seen to have generally improved the traffic flow
- There are still some issues with the left turn however in terms of altercations between HGVs and cars

Wellington Road

- Signals changed to allow greater priority for HGVs
- Ban on right turn into retail centre (Topps / Halfords) with the gap to be closed permanently
- Signal fault at Craigshaw Drive has been repaired

Great Southern Road / Stonehaven Road roundabout

- Proposal for a filter lane for left turn only is not going ahead
- New signing and lining will take place on junction to improve lane discipline

Further investigations needed:

- Lane markings on North Anderson Drive at Haudagain
- Parkhill crossroads
- Great Southern Road / Riverside Drive roundabout
- Various roundabouts within the city

Aberdeen City Council's capital budget 2013 – 2019

- 3rd Don Crossing
- A96 Park and Choose
- Dyce link road
- Berryden corridor Phase 1
- South College Street
- Union Street pedestrianisation

Consultations underway:

- Bridge of Dee STAG Part 1
- Aberdeen Local Development Plan

Conclusion

Delegates were thanked for their valued time and contribution to the Forum.

Post meeting notes:

The contact names from the freight grant team who can give advice on a freight facilities grant (FFG) is:

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The link to the FFG page is: <http://www.transportscotland.gov.uk/road/policy/freight/Freight-Grants>