

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**15 JUNE 2010****FREIGHT ACTION PLAN****REPORT BY STRATEGY MANAGER**

This report seeks approval for a Regional Freight Action Plan and updates the Partnership on implementation of freight initiatives.

1 RECOMMENDATIONS**1.1 That the Partnership:-**

- (i) approves the Regional Freight Action Plan as detailed in Appendix A;
- (ii) approves the conclusions of the Freight Consolidation Centres Study; and
- (iii) notes progress in relation to implementation of the Regional Freight Action Plan.

2 BACKGROUND

- 2.1 At its meeting on 24 June 2008 the Partnership agreed to establish a Regional Freight Quality Partnership (FQP) (Report RTP/08/15 refers). The first meeting of this group took place on 23 September 2008, at which time it was agreed to establish an FQP Steering Group, to give detailed consideration to the scope and priority actions to be addressed by the FQP, and to assist in the development of a Regional Freight Action Plan. The FQP Steering Group includes representation from a range of freight interests in the region and has met at six monthly intervals with the most recent meeting held on 4 May 2010.

3 DISCUSSION**Regional Freight Action Plan**

- 3.1 The Partnership at its meeting on 15 December 2009 agreed a Draft Regional Freight Action Plan to be remitted to the FQP Steering Group for further development (Report RTP/09/43 refers). The Action Plan was discussed at the Steering Group meeting on 4 May 2010. A detailed Plan including actions for 2010/11 has been developed, as shown in Appendix A. This plan forms the basis for the recommended allocation of the Freight Quality Partnership Revenue Programme for 2010/11.

Freight Consolidation Centres Study

- 3.2 The Partnership at its meeting on 15 December 2009 endorsed the award of the commission for a study into the feasibility of Freight Consolidation Centres serving Perth and Dundee to JMP Consultants (Report RTP/09/43 refers). A Consolidation Centre would aim to reduce the number of separate deliveries to a location by providing facilities where deliveries can be collected together and then a high load vehicle or dedicated vehicles can make multi drop deliveries into the destination area. This would lessen the requirement for several vehicles to enter congested areas and deliver part loads to individual units or shops by using common vehicles to supply several outlets. The Consolidation Centres reviewed would serve the retail cores of Dundee and Perth and a construction related centre to support the Dundee Waterfront proposals.
- 3.3 The consultants have produced a Draft Feasibility Report. A copy is available for inspection at the Members area of the Tactran website (<http://www.tactran.gov.uk/members/documents/TactranFreightConsolidationDraftFeasibilityReport280410.pdf>). The study utilised funding which has been awarded by Scottish Government to Perth & Kinross Council in partnership with Tactran, for the specific purpose of undertaking an assessment of the potential for introducing a Freight Consolidation Centre in support of the Council's Air Quality Management Action Plan.
- 3.4 The Consultants have undertaken a review of Best Practice throughout the United Kingdom and Continental Europe. The most similar to the retail Consolidation Centres being considered is the Broadmead Consolidation Centres in Bristol which was established in response to difficulties experienced by delivery vehicles in accessing retail premises due to congestion. This scheme was established with European Union funding. In contrast most other Consolidation Centres have been introduced to satisfy environmental remits.
- 3.5 A comprehensive consultation exercise was undertaken on retail consolidation involving the Dundee and Perth Town Centre Managers, Dundee and Perth & Kinross Councils, FTA, RHA, Association of Town Centre Management, Scottish Retail Consortium and logistics companies operating Consolidation Centres elsewhere in the UK to gather views on the concept of consolidation, financial arrangements for establishing and managing Consolidation Centres and perceptions on delivery issues in the two city centres. This identified general support for the concept but the key issue identified was regarding the financing of any such Centres. Difficulties in delivering to retail premises in Dundee and Perth were not identified by any of the consultees. One of the logistics companies contacted indicated that it would be possible to operate a Centre from its existing depot at Inveralmond Industrial Estate in Perth.
- 3.6 This exercise was followed up with a detailed survey of retailers in the two city centres to gather data on current delivery patterns & trends, problems & issues faced by retailers receiving deliveries and by suppliers making deliveries, and retailers' suitability to participation in a consolidation scheme.

- 3.7 A series of scenarios were considered for providing retail consolidation based on dedicated or shared centres located at Inveralmond Industrial Estate or the Harbour in Perth and Dryburgh Industrial Estate in Dundee and operated using different types of vehicles powered either by electric motors or Euro 4 diesel engines. Appraisal was undertaken based on the change in vehicle mileage and emissions of carbon dioxide (CO₂), oxides of nitrogen (NO_x) and particulates (PM₁₀). A preferred option was identified which would achieve the largest reductions in urban delivery mileage and emissions. This recommends operating a Consolidation Centre from Inveralmond Industrial Estate using shared premises and serving both Dundee and Perth operated by electric powered vehicles.
- 3.8 The operating costs were estimated for the various scenarios. The additional costs incurred by consolidation varied from £124,000 per annum for a shared facility based at Inveralmond Industrial Estate serving only Perth to £689,500 for a dedicated facility based at Perth Harbour serving both Dundee and Perth. Based on the lowest operating cost scheme it was estimated that the average cost for each delivery made would be between £9 and £19. This would be an additional cost for businesses using the Consolidation Centre in excess of existing delivery charges.
- 3.9 In addition to the reduced vehicle mileage and air quality benefits, the consultants commented that retailers would benefit from removal of recyclable waste and increased retail floor space due to remote stock holding. These could be used to offset the additional costs incurred in using a Consolidation Centre.
- 3.10 The consultants have recommended introducing a trial scheme based on a shared facility serving Perth to allow the benefits and costs to be evaluated. Further development of the proposal would be taken forward in a first year action plan which would include identifying possible sources of funding. Perth & Kinross Council has successfully sought Scottish Government Air Quality Grant funding to enable the action plan to be progressed.
- 3.11 In considering a construction related Consolidation Centre to serve Dundee Waterfront the consultants concluded that it was too early to give further consideration at this stage as the majority of development detail is not yet known with the developers and main contractors yet to be appointed. They concluded that there is little indication that either the public or private sectors are likely to consider consolidation and that it will need Dundee City Council to push the concept using their own developments.

Timber Transport

- 3.12 A meeting was convened by Tactran on 12 May 2010 with representatives from forestry and rail freight transport interests and Scottish Government to attempt to reinvigorate the Crianlarich Lower timber railhead proposals. The proposals were supported at the meeting and more detailed work is being undertaken to identify sources of timber, potential markets that could be linked by rail and an indication of the financial viability of rail based transport. A further report will be made to the Partnership on the conclusions.

Support of Port Development and Rail Connections

- 3.13 The Partnership meeting on 15 December 2009 (Report RTP/09/43 refers) approved a contribution of £10,000 towards the development of the Montrose Masterplan. This is focussing on maximising development opportunities in the Port of Montrose and adjoining GlaxoSmithKline factory and will examine the scope for improved inter-modal connections to the Port. Consultants, Ironside Farrar, were appointed at the end of March. It is intended that a strategic review will be completed by the end of July and the Masterplan by November 2010 when a further report will be made to the Partnership on the conclusions.

4 CONSULTATIONS

- 4.1 This report has been prepared in consultation with the Transport Officers Liaison Group and the Chief Officers Liaison Group who are in agreement with the proposals.

5 RESOURCE IMPLICATIONS

- 5.1 An allocation of £20,000/annum exists within the proposed 2010/11 Revenue Programme for support of the Regional Freight Action Plan. An additional Scottish Government contribution of £57,000 has been secured in partnership with Perth & Kinross Council in 2010/11 to develop a first year action plan for a trial Consolidation Centre scheme in Perth.

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NOTE

Background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) which were relied on to a material extent in preparing the above Report :-

Report to Partnership RTP/08/15 Freight Quality Partnership, 24 June 2008

Report to Partnership RTP/09/43 Freight Action Plan, 15 December 2009.

Tactran Freight Consolidation Feasibility Study. Draft Feasibility Report

Regional Freight Action Plan

Strands	Actions for 2010/11	Revenue budget 2010/11
Overnight Lorry Parking	Contribute to SCOTFLAG review of lorry parking facilities across Scotland	nil
	Consideration of inclusion of overnight lorry parking in Park & Ride proposals	nil
Freight Consolidation Centres	Further investigation of feasibility of trial consolidation centre for Perth including provision for marketing	£67,000 (including £57,000 contribution from P&K Council)
Timber Transport	Continuing membership of Stirling & Tayside Timber Transport Group	nil
	Crianlarich – identification of opportunities to progress Crianlarich Lower rail timber terminal	£5,000
Support of Port Development and Rail Connections	Port of Dundee – improved road access – detailed design of replacement bridge and access road*	nil
	Montrose Masterplan development	nil
	Highland Spring rail access – ongoing support	nil
Investigation of Vehicle Priority Routes/Lanes	Identification of problem locations for HGVs and consideration of lorry route network	£5,000

* Project supported by Tactran Capital Grant allocation of £2.183 million in total