

Report to the Transport for South Hampshire and Isle of Wight Joint Committee

Date: 27 February 2014
Report by: Stephen Gee
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Subject: TfSHIoW Freight Industry Consultation

1. Summary

1.1 The following decision(s) is/are sought:

That the Joint Committee notes:

The haulage sector has indicated that their key infrastructure needs are improvements to: M3 J9, M27 J3, Redbridge Roundabout, Newport, East Cowes and M275.

There is an urgent need to address the skills gap that threatens the region's competitiveness, it is recommended that the LEP, City Councils and Logistics Sector Work together to deliver a solution to the skills challenge.

The sector did not believe there is a need for more (logistic) sites in the area, the reasons for which should be investigated further.

The local haulage sector would not be adverse to the implementation of low emission zones.

2. Reason

2.1 To update members on the consultation between TfSHIoW and the Freight Industry.

3. Other Options Considered and Rejected

3.1 Taking no action.

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- 4. **Conflicts of Interest Declared by the Decision Maker or Other Executive Member Consulted – None.**
- 5. **Dispensation granted by the Conduct Advisory Panel – None.**
- 6. **Reason(s) for the Matter being dealt with if Urgent – None.**

Approved by: Date:

**Councillor - Chairman
Transport for South Hampshire and Isle of Wight Joint Committee**

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Subject: TfSHIoW Freight Industry Consultation

Purpose of the Report

The purpose of this report is to notify the Transport for South Hampshire and Isle of Wight (TfSHIoW) Joint Committee of the discussions undertaken with the region's freight and logistics sector.

Recommendations

1. The following decisions are sought:

That the Joint Committee notes:

The haulage sector has indicated that their key infrastructure needs are improvements to: M3 J9, M27 J3, Redbridge Roundabout, Newport, East Cowes and M275.

There is an urgent need to address the skills gap that threatens the region's competitiveness. It is recommended that the LEP, City Councils and Logistics Sector Work together to deliver a solution to the skills challenge.

The sector did not believe there is a need for more (logistic) sites in the area, the reasons for which should be investigated further.

The local logistic sector would not be adverse to the implementation of low emission zones.

Introduction

1. This report summarises the work undertaken to understand the issues affecting the logistics and haulage sectors within the TfSHIoW region. The report makes recommendations on areas of work to be investigated and developed further.

Consultation

2. The existing TfSH [Freight Strategy](#) was developed in 2009 and provides a comprehensive overview of the region’s aims and objectives, however the response to the consultation document from the industry was limited. Members of the industry approached TfSHIoW in early 2013 to encourage the development of a piece of work that encapsulates the views of the regions hauliers and logistic sector. The sector did not wish to see the development of another strategy document but wanted meaningful discussions and actions to support and develop the industry.
3. A consultant was procured with first hand experience in the sector to enable TfSHIoW a much closer insight into the operation and views of the industry.
4. Face to face interviews took place with a number (14) of parties within the region with an interest in the freight/logistics sector between June and November 2013. Interviews also took place with hauliers waiting to access the region’s ports. Follow up discussions then took place with local authority officers to understand issues and help develop actions to address the issues raised.
5. The key issue (shown in table 1) affecting the freight industry is rising costs. The industry is typically a low profit sector with high costs (fuel and wages can typically account for 70% of a hauliers cost base). This low profit margin means that it is felt local authority policies can have a disproportionate effect on the industry. The region’s hauliers and logistics providers were also keen to stress that everything we see in shops has at some stage been transported by road and their role is critical to the economic wellbeing of the region.

ISSUES RANKED IN ORDER OF SIGNIFICANCE	AVERAGE SCORE (OUT OF 5)
COSTS	5.0
CONGESTION	4.9
SKILLS	4.4
POLICIES	3.6
TRUCK STOPS	3.3
AIR QUALITY	2.9
CONSOLIDATION CENTRES	2.6

Table 1. Likert scale of issues affecting the industry

6. Congestion was ranked as the second most important issue. Congestion on the highway network in South Hampshire adds to the costs and operational effectiveness of the industry through lost time and additional fuel consumption. The industry has identified the key areas of congestion with a need to be addressed as:

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- M3 Junction 9,
 - M27 J3,
 - Redbridge Roundabout,
 - M275,
 - Newport and
 - East Cowes.
7. The access to Dock Gate 20 at Southampton Port was also identified as a spot for localised congestion largely thought to be attributed to the operation of the Vehicle Booking System.
 8. All of the region's hauliers who were consulted have indicated that there is a looming problem with the recruitment of staff and in particular HGV drivers. This is reflected in the age profile of the existing pool with an average age over 50. It has been indicated that very few younger people are entering the industry due to a number of factors such as:
 - The cost of entry,
 - Remuneration,
 - Availability of insurance,
 - Not seen as a glamorous industry.
 9. All of the haulage companies and logistics providers interviewed are conscious of, and anxious to play their part in living up to their environmental responsibilities, and the majority have formal environmental policies in place. The potential of Low Emission Zones (LEZ) were discussed with hauliers and depending on the terms and conditions of any initiative could be an effective instrument to achieve air quality objectives. The industry feel they are only a small part of the problem but can represent an easy target, given the typically low profit margins in the industry any cost pressures are unwelcome. The industry has made a positive contribution to the quality of the environment and air quality through its purchases of Euro 4, 5, and 6 vehicles which requires a very substantial investment.
 10. The industry did highlight that they did not feel there is currently a need for additional logistic sites in the region. This maybe due to a number of reason and should be explored further.
 11. A freight industry consultation document (appendix 1) has been produced and will be utilised by TfSHIoW and partners to support and inform future schemes and policy.
 12. Table 2 highlights a list of recommended actions contained with the consultation document.

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Issue	Action	Ownership	Timescale	Priority
Skills	To liaise with the region's hauliers and logistic providers, local authorities, Solent LEP, local colleges and the road haulage association to develop a coherent strategy to increase the pool and availability of labour and to identify funding streams to fund this work.	SCC/PCC/ Solent LEP/ Industry	Ongoing	High
Air Quality	Should any of the local highway authorities wish to explore the potential of a Low Emission Zone then it should discuss the details of the zone with local hauliers.	Highway Authority	Medium	Medium
Congestion	Local Authorities to develop schemes to address key infrastructure concerns at M3 Junction 9, M27 J3, Redbridge Roundabout, M275, Newport and East Cowes.	TfSHIoW/ HCC/IoW/ PCC/SCC/ Highways Agency	On-going	High
	Investigate potential improvements to the vehicle booking system/ measures to reduce congestion at dock gate 20.	SCC/ Industry	Medium	Medium
Truck stops and facilities	Identify potential sites that could acts as a truck stop.	HCC/IoW/ PCC/SCC	Medium	Low
	Liaise with the Highways Agency and inform the route based strategy.	TfSHIoW/ Highways Agency	Short	Medium
Consolidation centre	Monitor the effectiveness of the Southampton sustainable distribution centre and explore the possibility of additional centres in the region.	SCC/ TfSHIoW	Medium	Medium
Rail	Understand the lack of use of Fratton Goods Yard.	PCC/ Network Rail	Medium	Medium
Communication	Undertake face to face meetings when considering schemes or policy changes that would affect the industry.	TfSHIoW/ HCC/IoW/ PCC/SCC	Ongoing	Medium
Warehousing capacity	Further explore the view of the industry that there is not a need for further logistic sites.	TfSHIoW/ PUSH	Short	High

Table 2. Action Plan

