

FREIGHT INDUSTRY CONSULTATION

2013



FEBRUARY 2014

FOREWORD



To be added.

1. SETTING THE SCENE

1.1 TRANSPORT FOR SOUTH HAMPSHIRE AND ISLE OF WIGHT

[Transport for South Hampshire and Isle of Wight](#) (TfSHIoW) is a partnership comprising the four Local Transport Authorities (LTAs) of Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council.

By working collectively, TfSHIoW provides a more powerful and effective strategic force in improving transport in the area than the four authorities would otherwise achieve by working separately. The partnership recognises that the transport movements in this polycentric and interconnected urban area do not respect administrative boundaries and so provides a mechanism through which solutions across boundaries and partners can be developed and funding secured. Partners such as public transport operators, Department for Transport (DfT), Highways Agency, Network Rail, the Solent Local Enterprise Partnership (LEP), and districts, amongst others, play an important role in the success of TfSHIoW.



Map of TfSHIoW Area

1.2 RATIONALE FOR THIS PLAN

TfSHIoW was approached by members of the Freight Industry to develop 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.

1.3 THE SCOPE OF THIS CONSULTATION

This document details the issues raised within face to face interviews with a number of parties (14) with an interest in the freight/logistics sector who are based within the region, these interviews covered a wide range of issues affecting the industry and were not limited to purely transport issues, therefore a number of actions proposed are outside the remit of TfSHIoW and will be passed on to the relevant organisations. Discussions also took place with hauliers waiting to access the regions ports. Follow up discussions then took place with local authority officers to understand issues and help develop actions to address the issues raised.

2. SETTING THE SCENE

2.1 TfSHIOW FREIGHT STRATEGY

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. This document is not intended to replace the freight strategy rather act as a piece of work to further develop areas of work.

2.2 ROLE OF FREIGHT IN SOUTH HAMPSHIRE

The South Hampshire sub-region is strategically important in terms of freight transport. Its location on the south coast provides a focus for Europe with transport links of national, regional and local importance. The Trans-European Networks for road and rail converge in the South Hampshire sub-region to provide, one of two key ‘Gateways’ in the south of England for mainland Europe.

The importance of Freight to the TfSHIoW authorities is shown by its inclusion as a key policy in the [joint LTP 3](#) developed by Hampshire County Council, Portsmouth and Southampton City Council Policy B in which the authorities will work with the Highways Agency, Network Rail, ports and airport to ensure reliable access to and from South Hampshire’s three international gateways for people and freight.

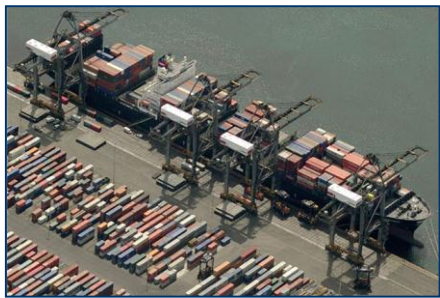
The importance of freight to the Isle of Wight is highlighted in the [Island Transport Plan](#). The Isle of Wight is also almost entirely dependent on ferry links for the transfer of goods to the mainland, ensuring the links work efficiently as possible is essential for the prosperity of the island economy.



Rail freight services are dominated by container movements between the Port of Southampton and the Midlands/ North of England. Rail’s modal share of container movements is increasing as a consequence of the recently completed gauge enhancement.

2.3 INTERNATIONAL GATEWAYS IN SOUTH HAMPSHIRE

The area has three international gateways: The Port of Southampton, the Port of Portsmouth, and Southampton International Airport. These key transport hubs play a significant role within the local and national economies and attract significant volumes of freight and passenger trips from elsewhere in the UK. The Port of Southampton, in particular, plays a key role in the supply-chain for the UK economy and has seen exceptional growth in recent years.



3. EMERGING ISSUES

3.0 KEY ISSUES

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.



Table 1 shows a likert scale the priorities given to various issues by the industry.

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

3.1 SKILLS SHORTAGES

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 and 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, it can cost upto £2,000 to undertake the necessary training required to gain a HGV license, in addition to this a Certificate of Professional Competence is also required on an on-going basis
- Remuneration, The average wage of a HGV driver is around £8 per hour and a typical week consist of 50 hours.
- Availability of Insurance, Many hauliers experience high costs or are unable to gain insurance for younger drivers.
- It is not seen as a glamorous industry to work in.



Recommended Actions

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.

3.2 AIR QUALITY

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.

Recommended Actions

Should any of the local highway authorities wish to explore the potential of a LEZ then it should target the polluters, be phased over a reasonable timeframe to enable compliance and discuss the details of the zone with local hauliers. The effects of the introduction of a LEZ on the regions logistics sector can be seen in various UK and European examples.

3.3 CONGESTION

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 as:

- M3 Junction 9,
- M27 J3,
- Redbridge Roundabout,
- M275,
- Newport and
- East Cowes.



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.

Congestion is largely contained within the peak periods and hauliers can plan journeys to take account however incidents on the network can cause additional delays and the lack of alternative routes suitable or permissible for HGVs can cause problems, including the missing of ferry connections for roll on, roll off traffic.

Recommended Actions

Local Authorities should develop schemes to address the key infrastructure concerns of the industry. Face to face consultations should be carried out with the industry to inform local schemes

3.4 TRUCK STOP AND FACILITIES

The industry described the facilities available in the region (with the exception of Rownhams) as inadequate, this is an issue for trucks coming into the TfSHIoW region and not for local hauliers which have their own yard.



The key area where local hauliers who have been unable to get back to base within the drivers regulated driving limits have indicated that lorries undertake unscheduled parking is along the A34.

Interviews with drivers waiting outside dock gate 20 in Southampton also expressed the opinion that there is a lack of basic facilities.

Recommended Actions

Issues highlighted on the strategic road network will help

inform the Highways Agency's route based strategy. Whilst a truck stop is unlikely to be commercially viable potential sites could be investigated by local authorities where facilities could be shared with other uses such as park and ride.

3.5 CONSOLIDATION CENTRES

Most businesses indicated that they already consolidate freight themselves in their existing warehouses, several interviewees also responded that they see the public sector as the key in a successful Sustainable Distribution Centre. The respondents based in and around Portsmouth highlighted that due to the geography and highway network that Portsmouth would be a suitable location for a SDC.

A full freight consolidation service exists from Southampton to East Cowes, covering a full range of freight, and a drop trailer service, so there is no demand for additional consolidation facilities on the mainland. However, there may be a requirement for an additional trailer park on the Island, to facilitate the return of drop trailers, and back loads.

Recommended Actions.

Monitor the effectiveness of the Southampton sustainable distribution centre and explore the possibility of additional centres in the region

3.6 RAIL

All hauliers and logistic providers consulted believe rail has a substantial role to play in the movement of goods, however highlighted the inflexibility of the rail network and the need for road and rail to provide a combined solution.

It was highlighted by parties in the Southampton area that should forecast in Freight arriving at the Port of Southampton increase as predicted, then the percentage moved by rail may actually fall, although actual value rise. This would mean additional road movements would be required.



Hauliers and Logistic providers in the Portsmouth area



were keen to explore the benefits of utilising Fratton Goods Yard, which despite its less than ideal location, has the potential to move goods of congested roads onto rail.

Recommended Actions

Understand the lack of use of Fratton Goods Yard.

To consider with Network Rail any additional factors that could enhance the transfer of more freight from road to rail, including improvements to the

freight pathways.

3.7 PORT CENTRIC LOGISTICS, WAREHOUSING CAPACITY AND PLANNING POLICY

Port centric logistics is the provision of distribution and other value adding logistic services at a port. Containers can then be unloaded at the port and then transferred inland as palletised freight, a recent example of the development of this is the recently opened London Gateway development is a new deep water port and one of Europe's largest logistic parks. Respondents felt the Port of Southampton has several key advantages over London Gateway including location to shipping lanes, sheltered waters of the Solent, and double tides as well as the capacity for rail freight to grow.

The majority of respondents felt there is currently sufficient warehousing capacity in the TfSHIoW region and in area such as Southampton a surplus. It was felt the warehousing that was available was expensive.

The majority of private sector respondents also felt that the public sector did not fully appreciate the industry and did not include the industry in the development of plans.

Recommended Actions

Understand the reasons respondents did not feel additional warehousing capacity was required.
Undertake face to face meetings when considering schemes or policy changes that would affect the industry.

4. CONCLUSION

The consultation exercise has enabled TfSHIoW and partners a valuable insight into the day to day and longer term issues that the industry faces, this work will lead to the development of better relationships and increased understanding of the industry and has provided the initial stimuli to develop a number of shared interest projects highlighted within the action plan.

5. ACTION PLAN

Issue	Action	Ownership	Timescale	Priority
Skills	To liaise with the regions 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	On-going	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

