

PERTH AND KINROSS COUNCIL**Environment Committee****4 June 2014****FREIGHT CONSOLIDATION CENTRE****Report by Depute Director (Environment)**

This report confirms that the proposal to establish a Freight Consolidation Centre to service Perth city centre part funded by the European Union, will not now be going ahead, as a result of the lack of a viable business case from the freight haulage industry.

1. BACKGROUND

- 1.1 Proposals for a Perth based Freight Consolidation Centre were approved by the Executive Sub-Committee of the Environment Committee on 5 October 2011. The project sought to establish a central base on the outskirts of the city whereby individual consignments or part loads identified for delivery into the city centre would be consolidated and delivered i.e. by electric vehicle in bulk. In doing so, it was anticipated that the 1,000 goods vehicles entering Perth each day would be reduced in order to improve road traffic emissions as part of the Council's Air Quality Action Plan for Perth.
- 1.2 Fifty per cent match funding to progress the project was obtained from the European Union through the INTERREG's scheme under the project title of Last Mile Logistics (La Milo). This scheme is aimed at developing the field of more sustainable freight transport in urban areas. The remaining 50% was a split between the participating partners, namely TACTRAN and Perth & Kinross Council (via the Scottish Government's Air Quality Action Planning Fund). The costings to create and operate the Freight Consolidation Centre for an initial 3 year trial period were based on information provided by The Department of Sustainability and Environment and were initially estimated at £1m.
- 1.3 These costs were revised significantly downwards to £500k to reflect a revision of the anticipated tender costs and the reduced timescale for the project from 3 to 2 years.
- 1.4 Since conception of this proposal, a significant amount of work has been undertaken by staff in the Environment Service and TACTRAN to progress the project. This included the sourcing of funding, and subsequent tendering process for an independent operator through the Council's formal procurement process.

- 1.5 Unfortunately, even after significant effort by all parties concerned, it has not been possible to engage a suitable operator/s to implement the project. As a result, and in view of the timescales associated with the funding availability, it is no longer deemed a viable option to continue to pursue this particular project any further.
- 1.6 Confirmation has been obtained that the European Union funding set aside for the Freight Consolidation Centre project will be reallocated to another European project. Both Perth & Kinross Council and TACTRAN are reallocating the underspent budgets to other projects.
- 1.7 TACTRAN has reallocated the 2013/14 funding for the Freight Consolidation Centre to the Give Me Cycle Space Campaign and supporting Dundee Air Connectivity.
- 1.8 Perth & Kinross Council has sought and received confirmation from the Scottish Government's Air Quality branch that the £70k previously allocated to the Freight Consolidation Centre project for 2013/14 can be reallocated to other air quality projects. A number of potential projects have now been approved for the Perth and Crieff Air Quality Management Areas and will be rolled out in the near future. (See Appendix).

2. PROPOSALS

- 2.1 Due to the difficulties encountered in appointing suitable contractors to establish the pilot Freight Consolidation Centre, it has been agreed with the European Union partners (Last Mile Logistics and INTERREG) and TACTRAN that the project is now at an end. Agreement has been reached with the Scottish Government's Air Quality branch that the 2013/14 underspends can now be diverted to other air quality initiatives in Perth and Crieff.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This report confirms that the proposed pilot project to establish a Freight Consolidation Centre to service Perth city centre, which would have been part funded by the European Union's INTERREG scheme, will not now be going ahead due to the difficulties encountered in trying to appoint suitable partners from the freight haulage industry. Scottish Government air quality funding earmarked for this project will now be used for other air quality initiatives in the Perth and Crieff Air Quality Management Areas.
- 3.2 The Committee is asked to:
 - (i) Note that the proposal to establish a Freight Consolidation Centre to service Perth city centre, part funded by the European Union, will not now be going ahead as a result of the lack of a viable business case from the freight haulage industry.

- (ii) Approve the agreement reached with the Scottish Government's Air Quality unit that the funds allocated to the development of a freight consolidation centre be re –allocated to other agreed air quality initiatives in the Perth and Crieff Air Quality Management Areas (Appendix 1).

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Approved

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Barbara Renton	Depute Director (Environment)	12 May 2014

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	No
Workforce	No
Asset Management (land, property, IST)	No
Assessments	
Equality Impact Assessment	No
Strategic Environmental Assessment	No
Sustainability (community, economic, environmental)	No
Legal and Governance	No
Risk	No
Consultation	
Internal	Yes
External	No
Communication	
Communications Plan	No

1. Strategic Implications

1.1 Community Plan / Single Outcome Agreement

The Council's Corporate Plan 2009-2012 lays out five Objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. This report impacts on the following:-

- (i) A Safe, Secure and Welcoming Environment
- (ii) Healthy, Caring Communities
- (v) Confident, Active and Inclusive Communities

1.2 Not applicable as project not going ahead.

Corporate Plan

1.3 The Council's Corporate Plan 2013-2018 outlines the same five objectives as those detailed above in the Community Plan. These objectives provide a clear strategic direction, inform decisions at a corporate and service level and shape resource allocation. Not applicable as project not going ahead.

2. Resource Implications

Financial

- 2.1 Not applicable as project not going ahead.

Workforce

- 2.2 Not applicable as project not going ahead.

Asset Management (land, property, IT)

- 2.3 Not applicable as project not going ahead.

3. Assessments

Equalities Impact Assessment (EqIA)

- 3.1 An equalities impact assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.
- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcomes:
- i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.3 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS).
- 3.4 The matters presented in this report were considered under the Environmental Assessment (Scotland) Act 2005 and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.
- 3.5 Not applicable as project not going ahead.

4. Consultation

- 4.1 The Head of Legal Services, the Head of Democratic Services and the Head of Finance have been consulted in the preparation of this report.

5. Communication

None.

2. BACKGROUND PAPERS

None.

3. APPENDICES

Appendix – Approved Air Quality Initiative

**Proposed Air Quality Initiatives
to be funded from Scottish Government Air Quality Funding**

Project proposal	Comments
Mobile Monitoring	Ricardo-AEA has been contracted by the Scottish Government (SG) to carry out a study investigating variations in roadside air quality to estimate differences in human exposure to air pollution with height at roadside- basically trying to understand differences in exposure profiles for children and adults at various locations and for different weather conditions. As part of the 6 month study the SG has agreed to fund this study in Perth & Kinross focusing on all the main hot spot areas, such as Perth City and Crieff.
Perth City Model – Update	Update of the Perth City air quality model making use of the most up to date information and data available to ensure the work is timely and robust. The update will ensure you have the best air quality evidence to support decision making e.g. for new developments in the city. Using 2013 as the new baseline year the city wide dispersion model for NO ₂ and PM ₁₀ will not only be updated, but extended outwards along key routes, for example Edinburgh Road, Crieff Road, Glasgow Road with an upper limit of about 5km of additional roadways allocated..
Walk to School Week	<p>Walk to School Week is one of the long standing, staple initiatives offered to Perth and Kinross Schools by the Traffic and Network team.</p> <p>The project has been sustained in P&K for the past 10 years+ and on average each year we spend in the region of £3k on resources for schools.</p> <p>Walk to School Week takes place from 19th to 23rd May 2014.</p>
Social Marketing – Crieff	<ul style="list-style-type: none"> • To encourage residents of the town to walk, cycle or use public transport wherever possible for their local journeys and, when they do need to travel by car, to do so responsibly • To motivate local people to deliver change in their community over the longer-term, and by so doing will also: • Provide new and transferable skills to some residents of the town • Promote community cohesion by increasing levels of walking and cycling • Support an economically vibrant town centre, by encouraging people to make more use of the services there
Living Wall modules	Further work to be carried out with Council plant nursery staff in order that they can create their own living wall modules (both static and mobile) for future living walls in Perth & Kinross, as opposed to buying in this service. Living walls would be used to promote AQ issues especially at schools where we are now undertaking presentations.

