Greater Manchester Logistics Forum – Launch Day

16th September 2016

Greater Manchester Logistics Forum – Launch Day

Housekeeping

Agenda

- Speakers
- Panel Discussion
- Lunch
- Working Groups

Speakers

Ruth Jackson - RJP

Geoff Clarke – AECOM

Malcolm Bingham – FTA

Darren Kirkman – TfN

Warren Marshall – Peel Holdings

Helen Smith - TfGM

Opening Address

Interim Mayor of Greater Manchester Tony Lloyd

The Importance of the Freight Sector

Geoff Clarke FCILT - AECOM

Malcolm Bingham – Freight Transport Association

Agenda

- What do we mean by freight?
- Trends in the freight sector
- Current issues affecting freight
- Mitigation
- Future changes and trends
- Implications for region/sub region

What do we mean by Freight?

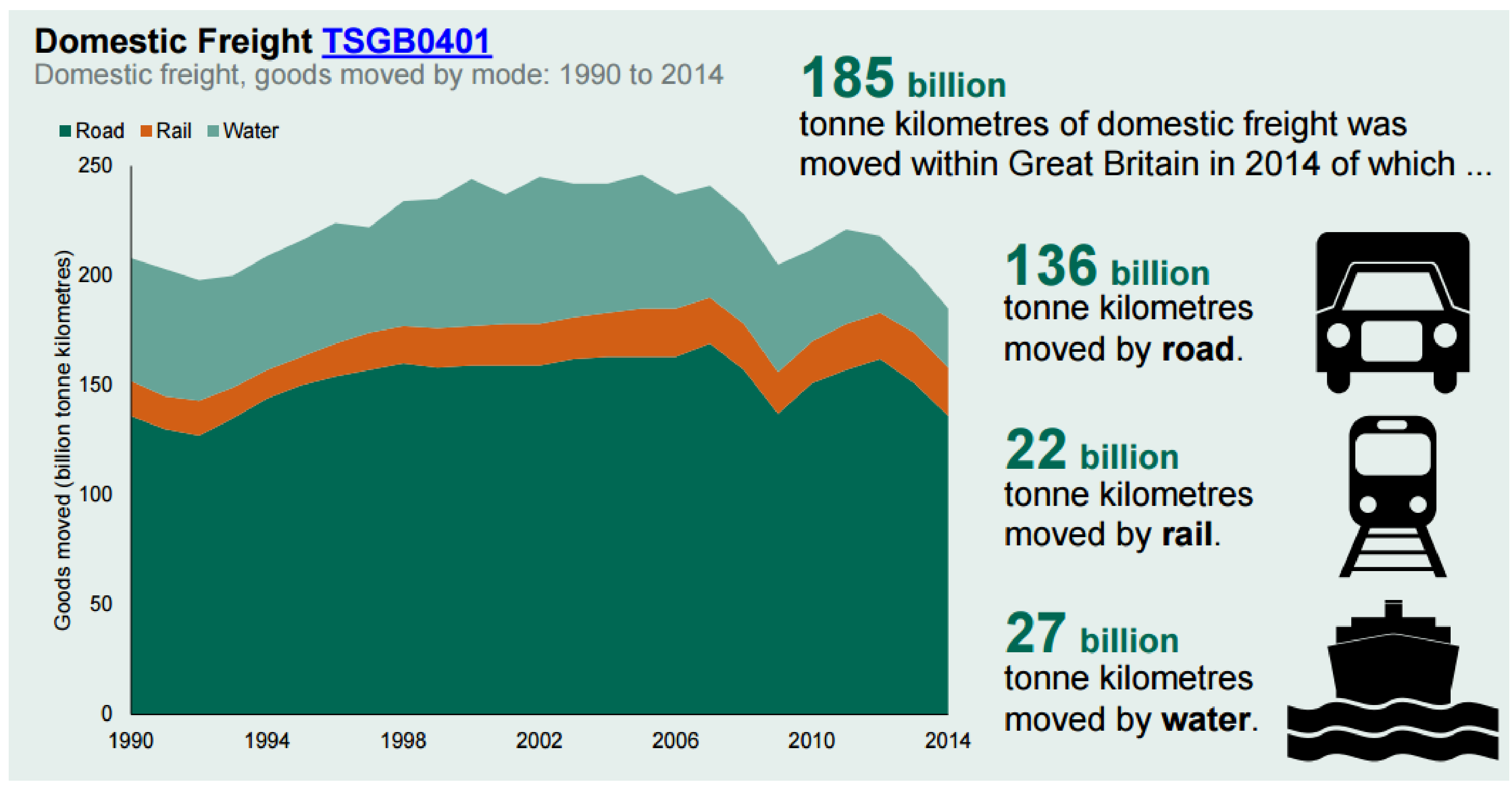
- Movement of goods
- Road, rail, air, sea, cycle logistics
- Crucial to the economy
- Supports all sectors
- Derived demand

The importance of freight

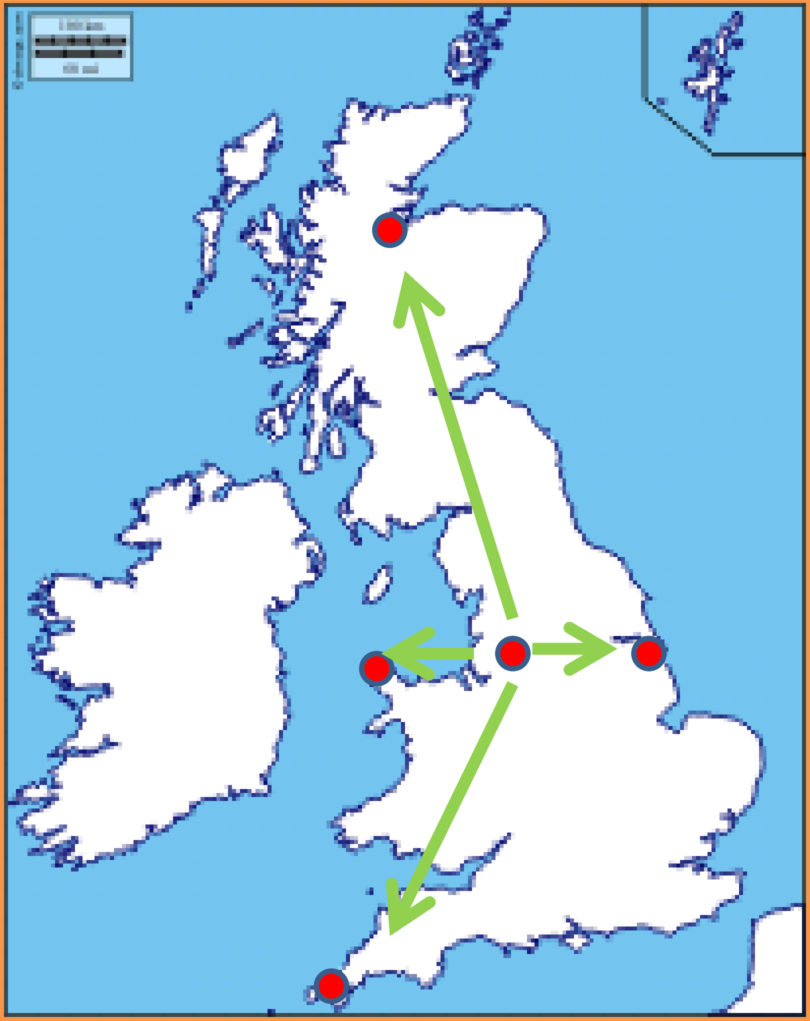
- Logistics Sector worth £55bn to economy
- Currently 1.7m people are employed in this sector by over 63,000 companies
- Contributes to 5% of GDP

SIC	Definition	Employment	
		Number	%
51	Wholesale	685,500	40%
60.24	Freight transport by road	222,200	13%
62.10	Scheduled air transport	31,200	2%
62.20	Non-scheduled air transport	14,500	1%
63.11	Cargo handling	4,500	*
63.12	Storage and warehousing	178,400	10%
63.23	Other supporting air transport activities	98,000	6%
63.40	Activities of other transport agencies	137,600	8%
64.11	National post activities	238,700	14%
64.12	Courier activities	101,000	6%
	Total UK Logistics Employment	**1,711,600**	6%
	Total UK Employment	29,168,700	

How do we move freight?



Distance from Manchester



Inverness – 370 miles

Holyhead -120 miles

Grimsby – 115 miles

Penzance - 350 miles

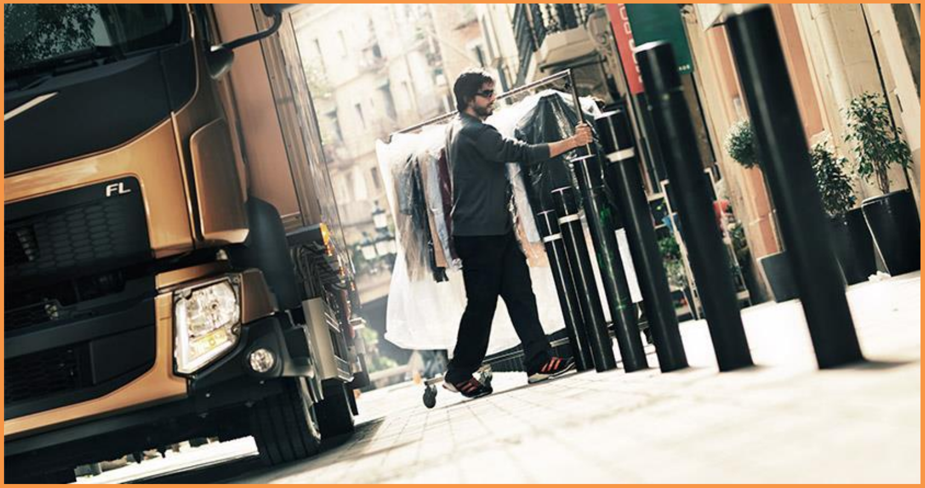
North West Context

- Total number of o-licences – 10,671
- 14% of national total

- Total number of vehicles registered under o-licences – 48,721
- Again, 14% of national total

Trends in Urban Freight Movement

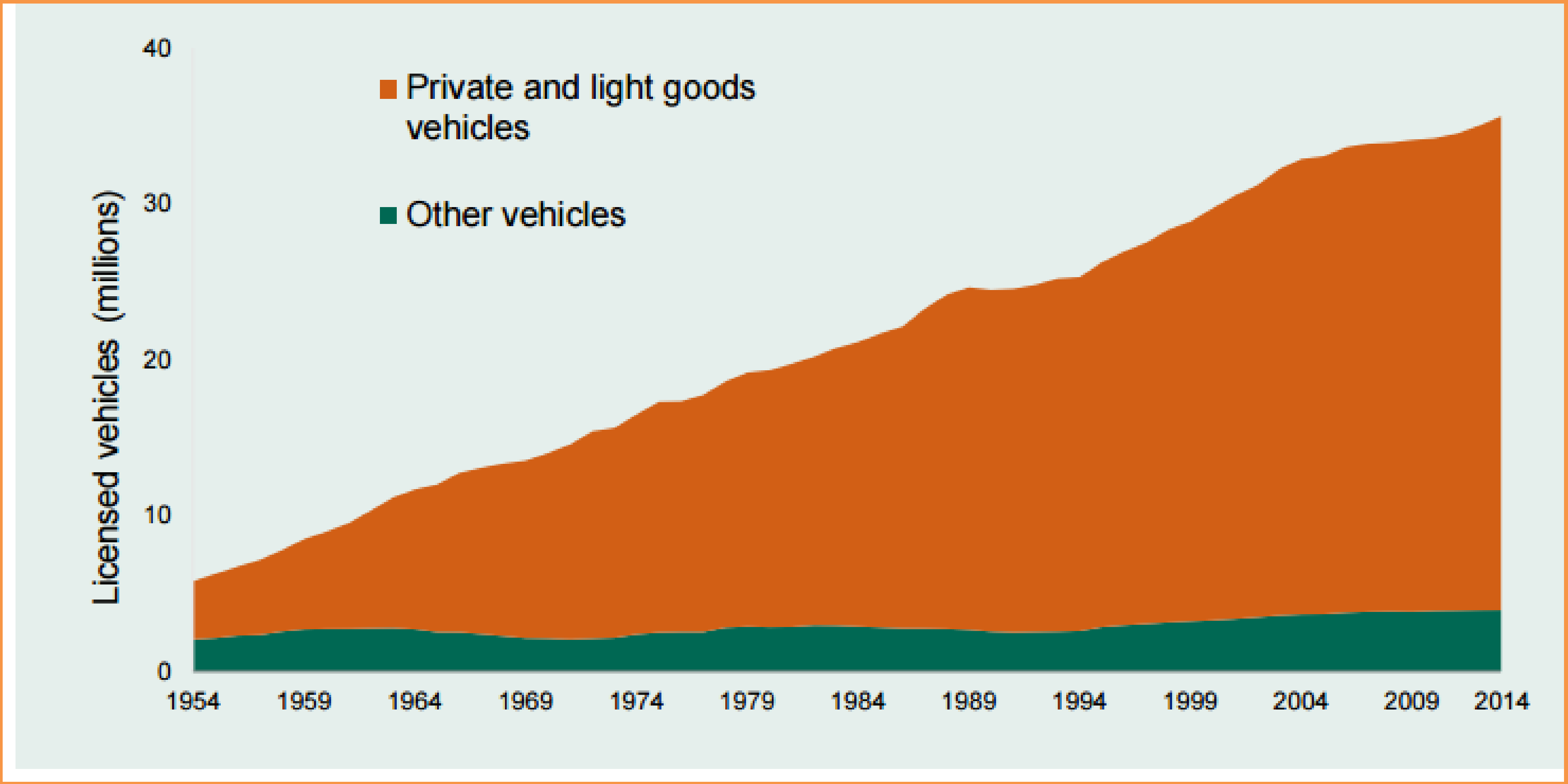
- Deliveries, Returns and Waste/Recycling
- Growth of Vans
- Utilisation & Efficiency of HGVs
- Same or next day delivery requirement



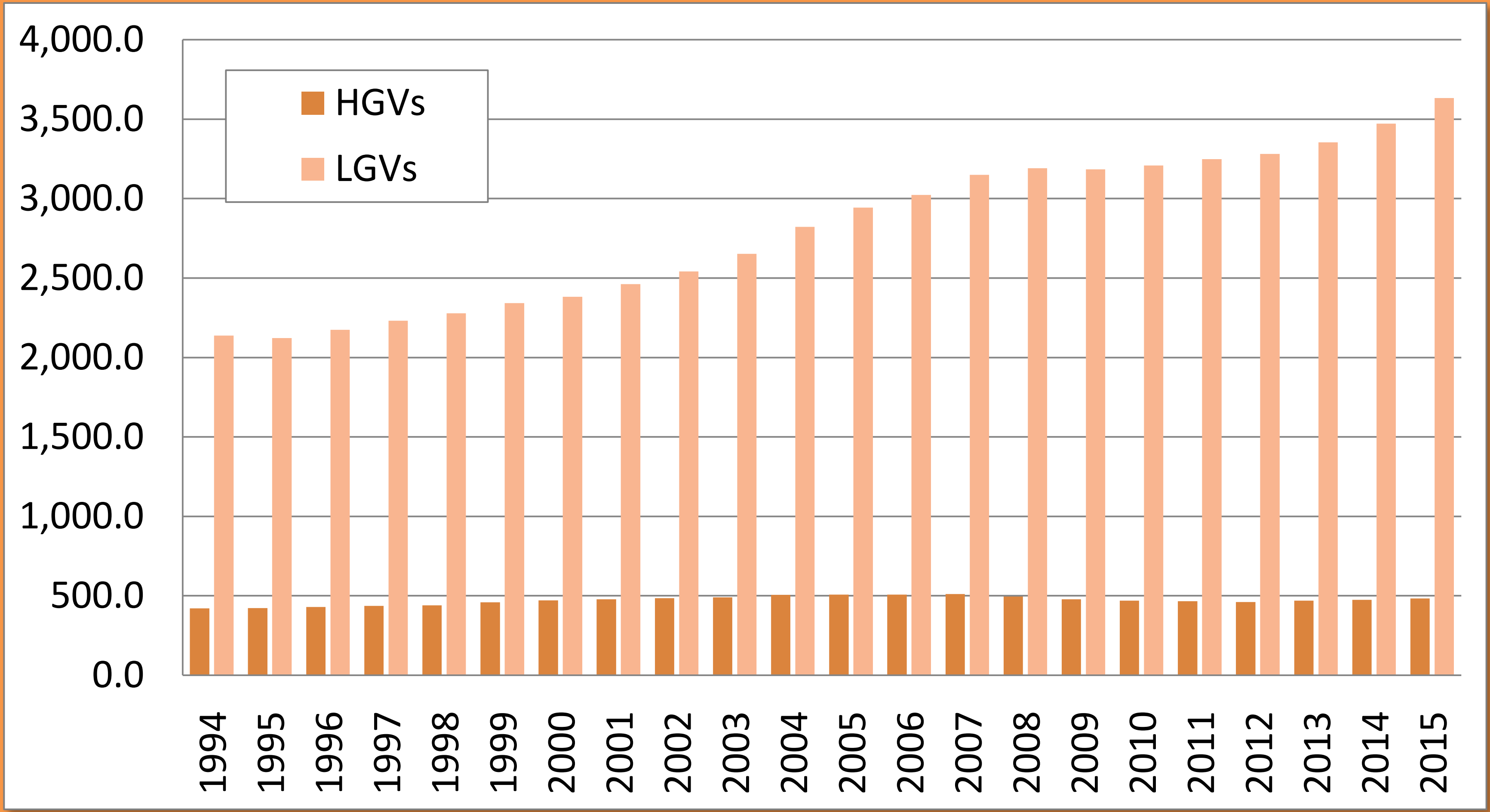
Online Shopping

- 45% increase in online shopping predicted by 2020
- c. 30% of deliveries are returned
- Packaging and waste a significant cost for retailers

Growth in vehicles



Van Growth in Figures



Potential Issues with Van Growth

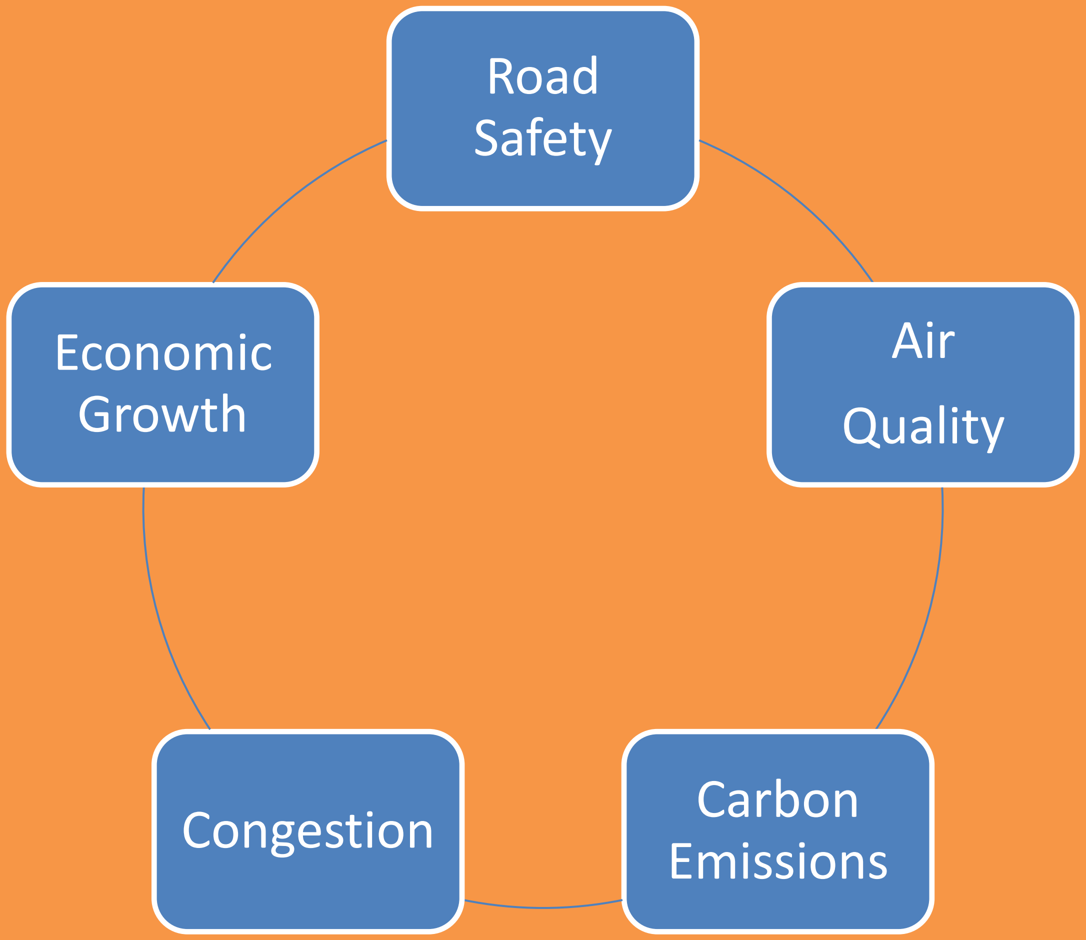
- Increased Traffic from Small Payloads and Direct Deliveries
- Harder to regulate (no special licensing)
- Issues with Vulnerable Road Users
- Delivery and Servicing Space Allocation in Urban Areas:
  - (avg. dwell time: 10 mins)

Utilisation of HGVs

	Efficiency	2011	2012	2013	2014
18	Percentage of hgvs empty running	30.2%	28.5%	28.6%	28.8%
19	Percentage of inland freight moved by rail (billion tonne kilometres)	10.0%	10.0%	12.0%	12.0%
20	Lading factor percentage for hgvs (>3.5 tonnes gvw)	62.0%	63.0%	63.0%	62.0%
21	Hgv fuel consumption (mpg) (articulated vehicles)	7.9	7.8	7.8	7.9
22	Use of alternative fuels in hgvs	1.1 mt of oil equivalent	1.0 mt of oil equivalent	1.1 mt of oil equivalent	1.2 mt of oil equivalent
23	Average hgv payload capacity (tonnes)	7.5	8.1	8.1	8.0

- Has the sector stalled?
- How can further improvements be made?

Issues that freight sector can help address



Ways to address issues

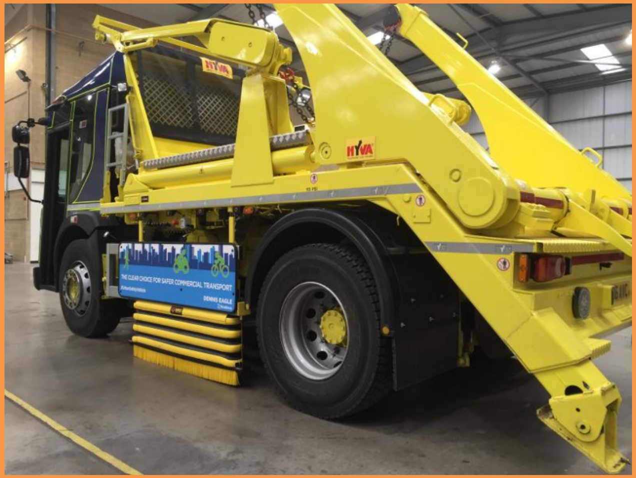
- Build new infrastructure
- Use of technology
- Better design of vehicles/systems
- Intelligent operational practice
- Use resources more effectively
- Collaboration
- Education and behavioural change
- Technology (supply chain, office, cab)

Mitigation - Examples

Road Safety - CLOCS

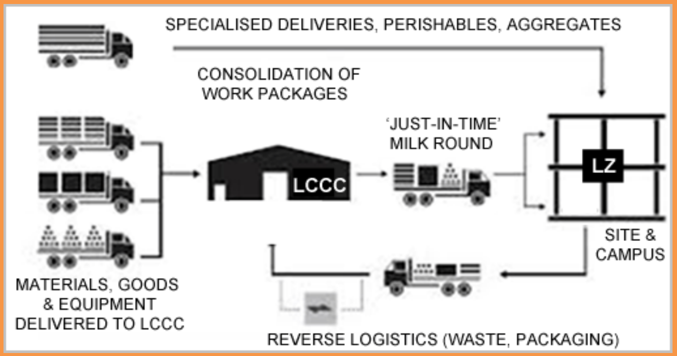
CLOCS

Looking out
for vulnerable
road users



Mitigation - Examples

Congestion - Consolidation



Mitigation - Examples

Harmful Emissions – Euro Engine Standards

Stage	Date	Test	CO	HC	NOx	PM
			g/kWh			
Euro I	1992, ≤ 85 kW	ECE R-49	4.5	1.1	8.0	0.612
	1992, > 85 kW		4.5	1.1	8.0	0.36
Euro II	1996.10		4.0	1.1	7.0	0.25
	1998.10		4.0	1.1	7.0	0.15
Euro III	*1999.10 EEV only*	ESC & ELR	*1.5*	*0.25*	*2.0*	*0.02*
	2000.10		2.1	0.66	5.0	0.10[a]
Euro IV	2005.10		1.5	0.46	3.5	0.02
Euro V	2008.10		1.5	0.46	2.0	0.02
Euro VI	2013.01	WHSC	1.5	0.13	0.40	0.01

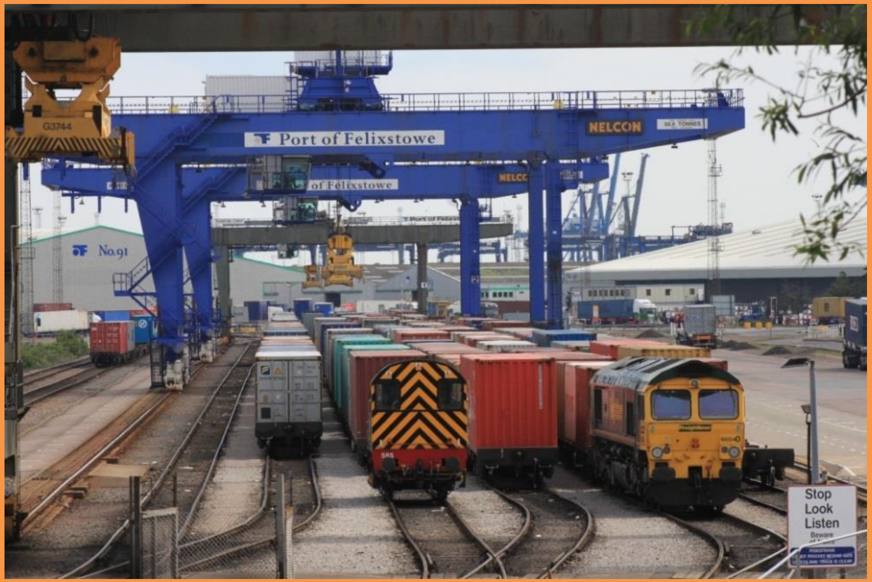
- Recent survey in NW – 40% have Euro VI already

Mitigation - Examples

Carbon Emissions – Alternative fuels

Mitigation - Examples

Efficiency and Economic Growth – Collaboration



Issues affecting the Freight Sector

- **Fuel Prices & Climate Change**
- Increasing fuel prices have a direct impact on freight and logistics companies
- Increasing global focus on climate change
- Requires companies to revisit strategic plans

- **Increased Competition**
- Increased competition in the market (small businesses, consolidation of larger companies)
- Resulted in significant pressure on prices and therefore lower margins
- Companies are therefore trying to differentiate themselves

Issues affecting the Freight Sector

Emerging Markets and Consolidation

- Declining trade barriers and the rise of low cost manufacturing in countries like
- Need to establish a foothold in these emerging markets
- Significant amount of consolidation
- Greater diversification of services

Issues affecting the Freight Sector

Outsourcing and Technology

- General trend of outsourcing supply chain management and warehousing services to logistics companies
- Evolution of technological services
- Need to keep ahead of the competition



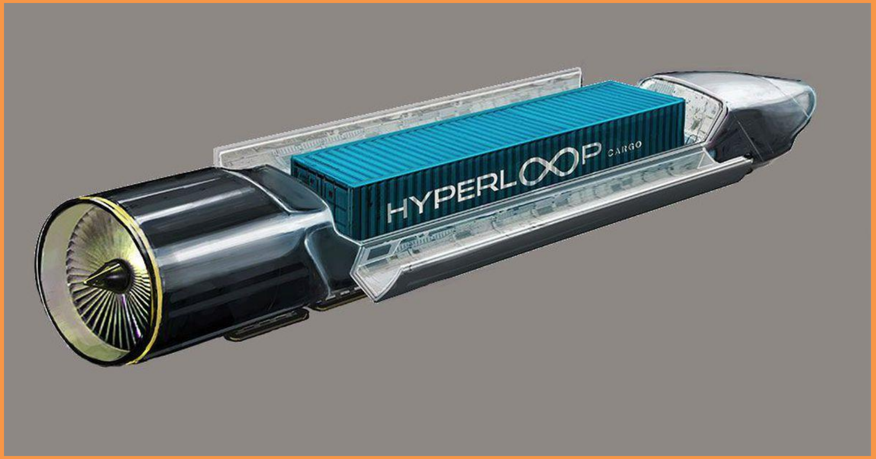
Issues affecting the Freight Sector

- **Low margin activity**
- **Devolution**
- **Intrinsically linked to economy**
- **Reliability of the road network**
- **Skills shortages and aging workforce**
- **Cross Channel disruption**
- **Brexit**

Freight – News and events

- Apprenticeships
- Lorry Parking
- Longer Lorries Trial
- Railfreight Strategy

The Future?



Summary

- **Freight plays vital role in economy**
- **Significant changes taking place**
- **Freight can impact on the environment**
- **Mitigation initiatives in place**
- **Influences freight at national, regional and sub regional level**

Greater Manchester Freight & Logistics Forum

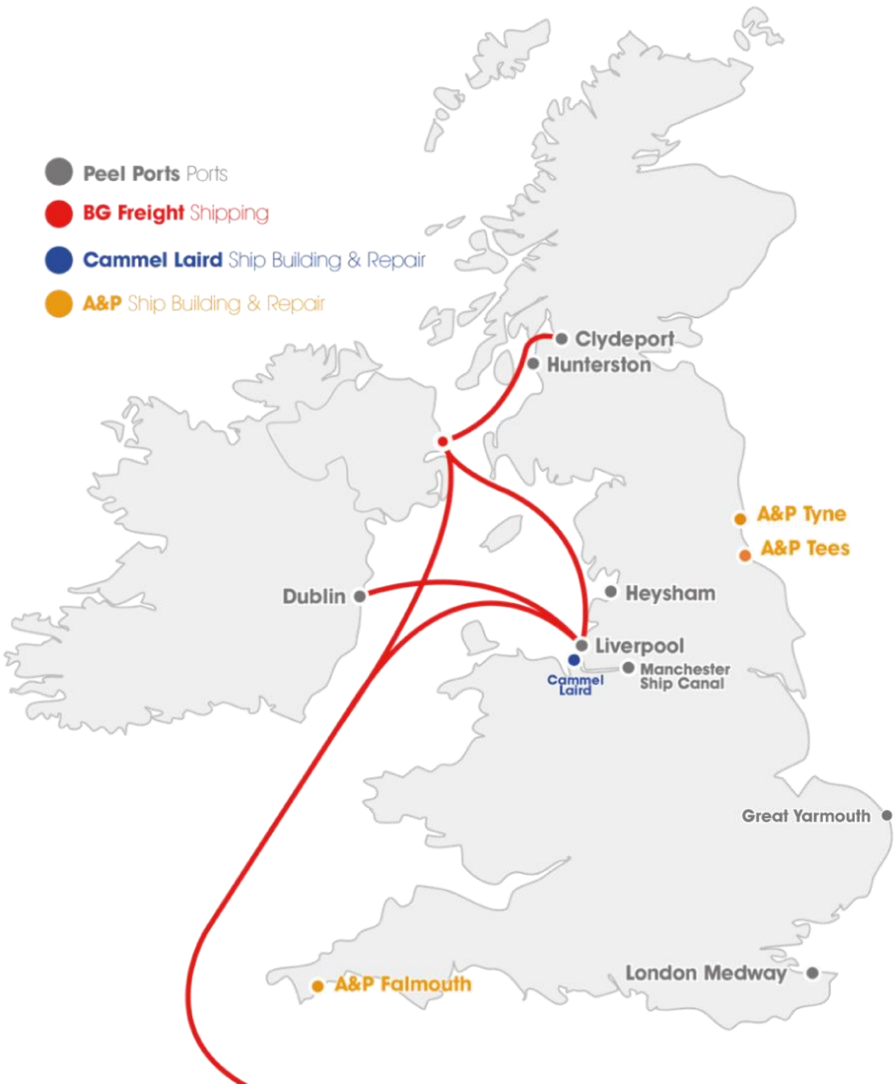
“Northern Powerhouse: Challenges & Opportunities”

PEEL PORTS GROUP

Warren Marshall MRTPI CMILT
Group Planning Director

16th September 2016

Peel Ports Group



PEEL PORTS LIVERPOOL

PEEL PORTS CLYDEPORT

PEEL PORTS LONDON MEDWAY

PEEL PORTS DUBLIN

PEEL PORTS MANCHESTER SHIP CANAL

PEEL PORTS HEYSHAM

PEEL PORTS GREAT YARMOUTH

BG Freight Line

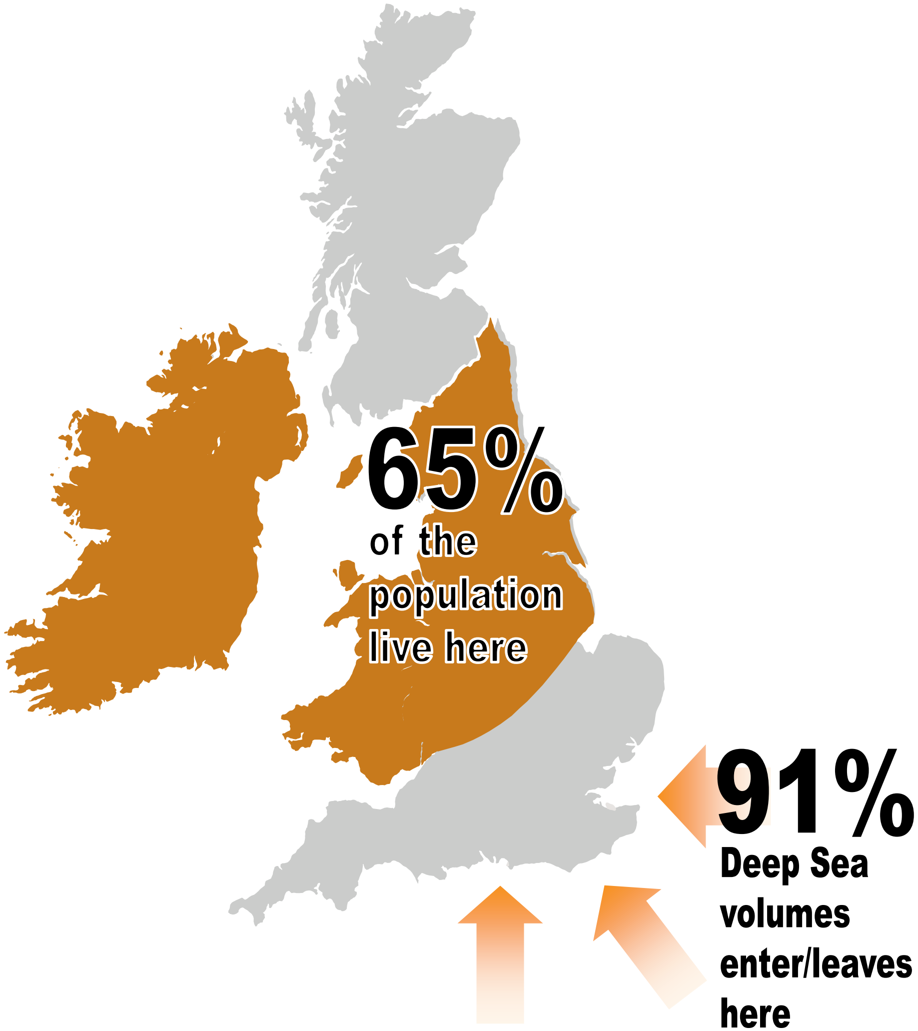
CAMMELL LAIRD

A&P

- 2nd Largest Port Group in UK
- 7 Statutory Port Authorities
- 65 millions Tonnes of Cargo per annum
- 26,000 Vessel Movements per annum

Inland Container Market acts illogically

- 65% of UK population is within a 150 mile radius of the Port
- 50% of containers end up closer to Liverpool than traditional UK deep sea ports
- Creates huge logistics inefficiency
  - 150 million wasted road miles
  - 200,000 additional truck journeys
  - Creates 20 million tonnes of CO_2 emissions
- Pressurises overloaded road networks
- Operating costs are inflated, land, labour



PEEL PORTS GROUP

200 MILLION ROAD MILES ELIMINATED

We are announcing a campaign to help UK companies take 200 million miles off our road and rail infrastructure by the end of 2020

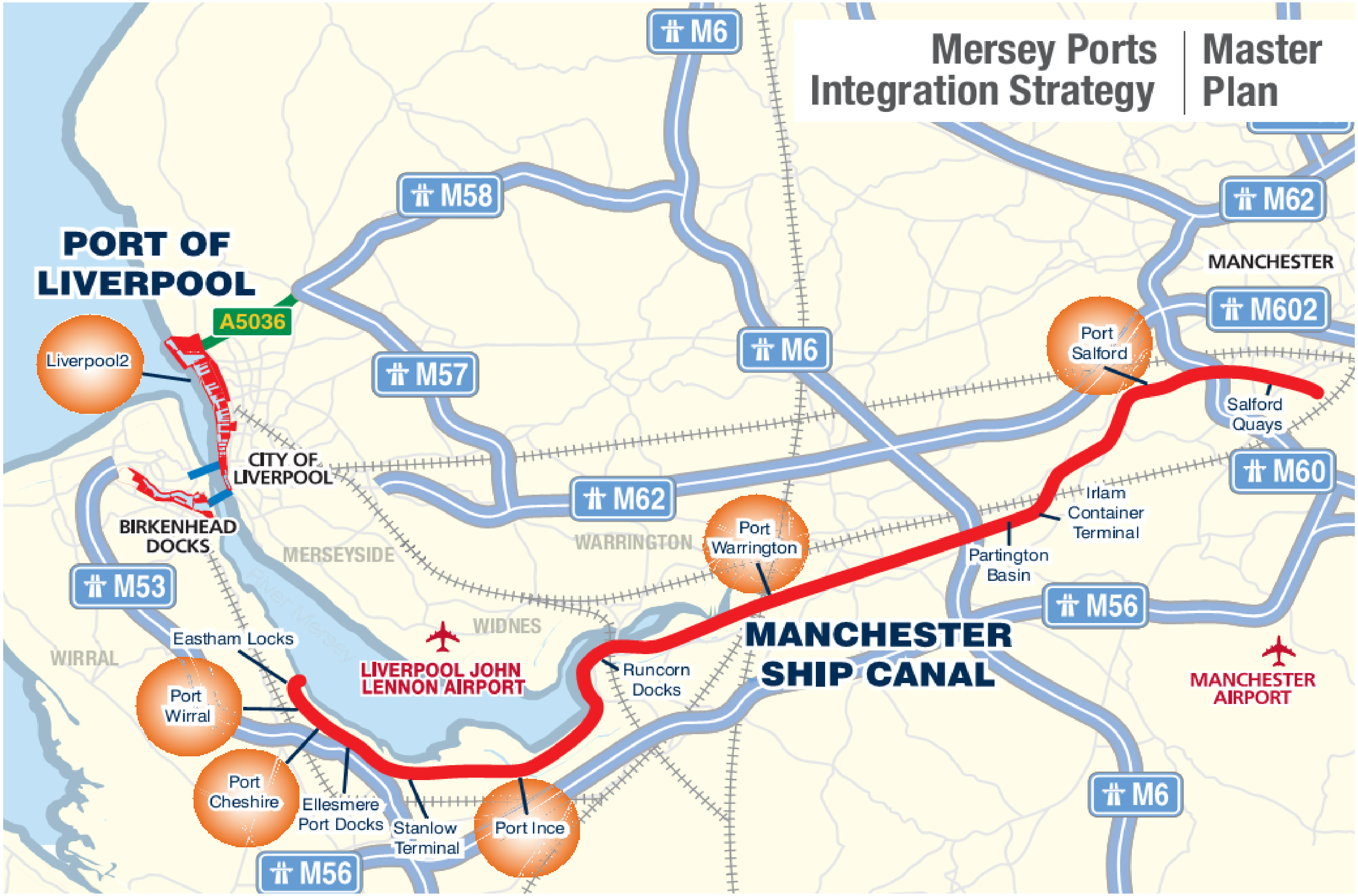
200 PARTNERS

We will be partnering with 200 importers and exporters to support shipping lines connecting to Liverpool2; the UK's most central deep-water container terminal being developed at the Port of Liverpool

CARGO 200 INITIATIVE

Mersey Ports Master Plan

Mersey Ports Master Plan



Our Investments – North West

LIVERPOOL2

PORT SALFORD

PORT CHESHIRE

BIOMASS TERMINAL

WAREHOUSING DEVELOPMENTS

STEEL TERMINAL

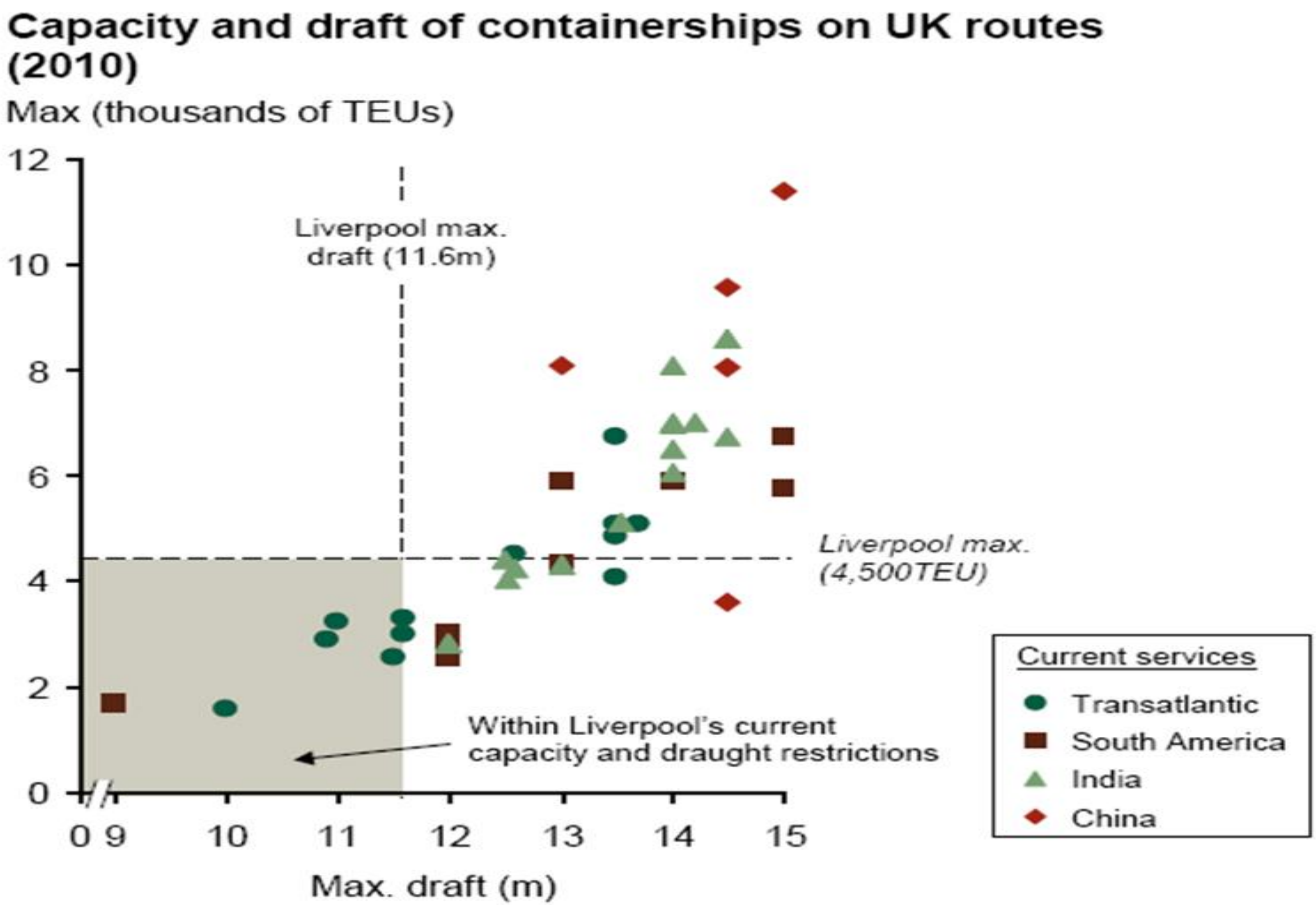
SEAFORTH PASSAGE EXPANSION

ANIMAL FEED EXPANSION

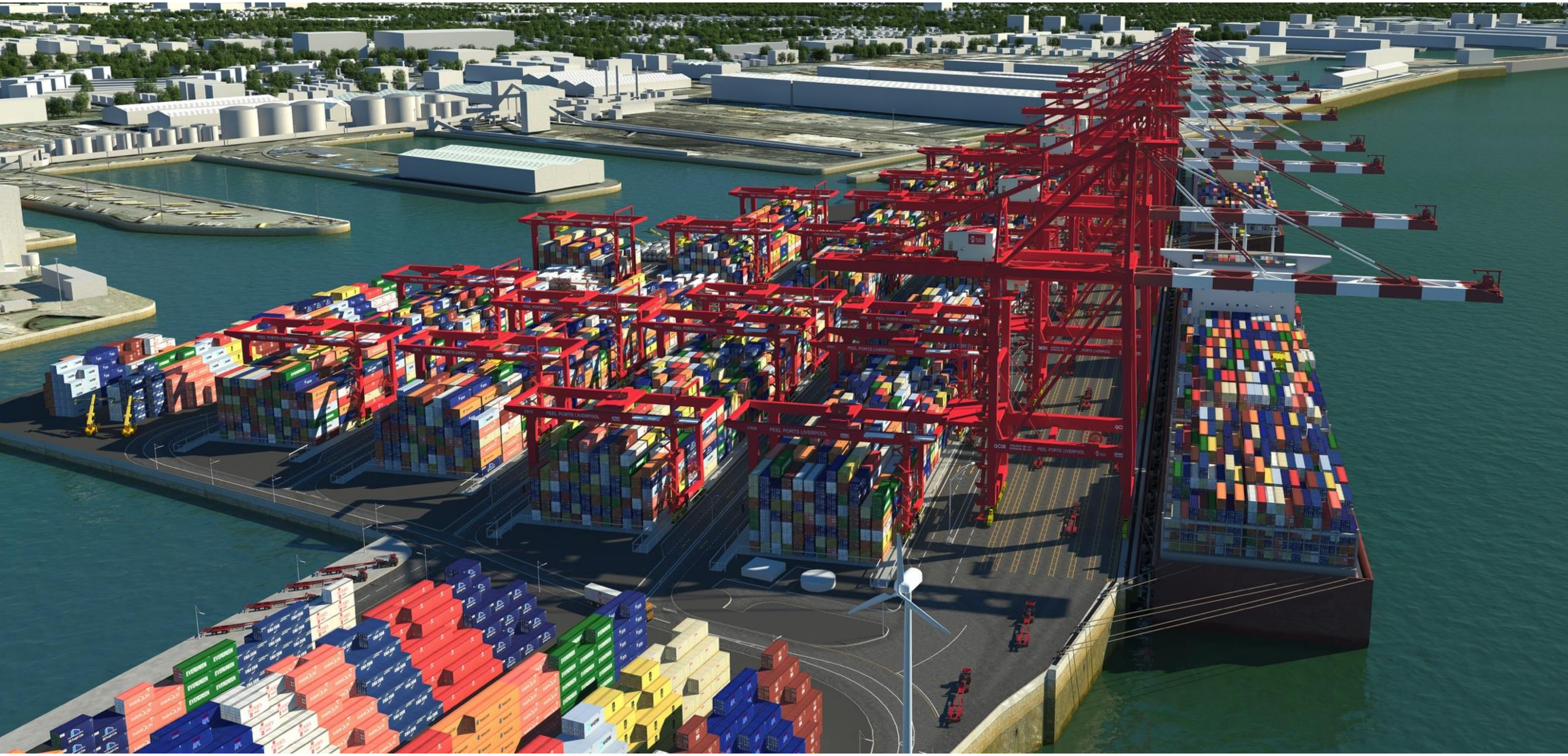
TOTAL

£745M

Vessel size exc. Liverpool from many markets



Liverpool2 – Opening Autumn 2016



- £400m investment in deep-sea container capability
- Ability to double container handling capacity 750,000 > 1.5 million TEU's
- 408 no. direct jobs – 5,000 no. indirect/induced jobs

Port Salford – Multi Modal Logistics Hub

- Unique Road, Rail and Water Connected Facility
- 1.6 million sq.ft. consented warehousing
- Phase 1 – 300,000 sq.ft. on-site (Culina Logistics)

Port of Liverpool Biomass Import Terminal

- £100m investment in state of the art storage facilities
- Capable of handling 3 million tonnes per annum
- Utilises 100% rail - Due to open in Autumn 2016

Port of Liverpool Rail Strategy

Rail Freight aspirations **daily** services as follows:

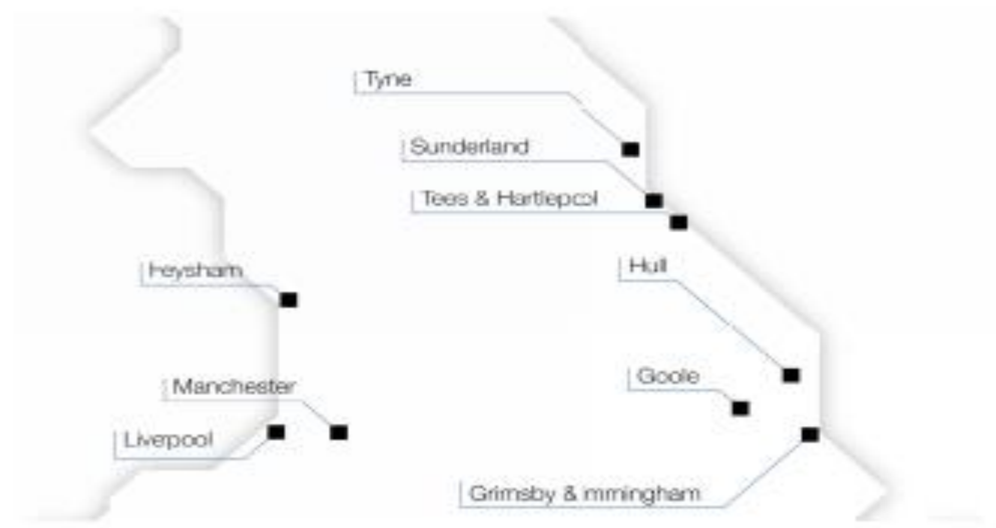
- Containers - 15
- Biomass - 12
- Steel - 1
- Scrap Metal - 3
- Automotive - 2
- Inter Modal - 2
- **Total = 35**

Freight by Water – Manchester Ship Canal

Container (TEU) Moves:

- 2009 ~ 3,000
- 2010 ~ 7,000
- 2011 ~ 10,000
- 2012 ~ 18,000
- 2013 ~ 26,000
- 2014 ~ 30,000
- 2015 ~ 32,000
- 2020 ~ 100,000

The Northern Powerhouse



Major Northern Freight Ports

- Northern Ports tonnage 164 million tonnes
- Handling 33% of the UK’s annual 503 million tonnes
- 3 of the 5 UK’s largest port complexes in Northern England
- Trans Pennine Road and Rail connectivity and resilience
- Enhancing capacity for freight (and passengers)

Investments will change the landscape

- New era for UK Logistics
- Rebalancing of the Economy - Northern Powerhouse
- Private Sector investment leading the change
- Creating employment enhancing local communitie

But we do have our challenges:

- Surface Access – Road & Rail Connections
- Rail Freight Paths and Capacity…. Interface with HS2 & HS3
- Energy Policy………need longer term certainty to support investments
- Coastal Shipping – Water Borne Freight Grants
- Land Availability – Port Master Planning

Further Reading

- The Northern Powerhouse: A Northern Transport Strategy (HM Government/TfN) – March 2015
- High Speed North (National Infrastructure Commission) – March 2016
- The Northern Powerhouse Independent Economic Review (SQW) – June 2016
- Gateways to the Northern Powerhouse (IPPR North) – June 2016
- Greater Manchester Freight & Logistics Transport Strategy (TfGM/GMCA) – July 2016
- Northern Freight and Logistics Report (TfN) – September 2016

Thank You

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The TfGM Freight Strategy & the Role of the Forum

Helen Smith, TfGM

Panel Discussion

Lunch

Working Groups

Thank you!

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