

Report to Partnership Meeting 13 April 2012

RESEARCH AND STRATEGY DELIVERY

Food Port: Lifting the Spirit

Purpose of Report

To update Members on progress in joining the programme.

The Interreg IVB
North Sea Region
Programme



European Union



The European Regional Development Fund



About Food Port

Food Port aims to develop the North Sea Region (NSR) as the best food cluster and hub in Europe for food products delivered via efficient and sustainable transport systems e.g. 'green transport corridors'.

Food Port brings together partners from six North Sea countries (Belgium, Denmark, Germany, Norway, Sweden and the United Kingdom) to find practical solutions to improve the efficiency, effectiveness and sustainability of the food supply chains.

The Food Port project operates under the umbrella of the INTERREG IV B - North Sea Region Programme, part of the European Regional Development Fund. The project started on September 1st, 2010 and runs until August 31st 2013. The total project budget is 4.9M€, of which the ERDF co-finances 50%. The West Flanders Development Agency (POM West-Vlaanderen) is the lead partner.

In total 18 partners (including regional authorities, knowledge institutions, food industries and ports) from 6 countries are involved: Sweden (Region Västra Götaland, Port of Gothenburg and Chalmers University of Technology), Denmark (University of Southern Denmark, Development Council of South Jutland, Port of Esbjerg and Port of Odense), Norway (Port of Kristiansund and Nordmøre), UK (University of Hull, South East Scotland Transport Partnership – SEStran and Forth Ports), Germany (City of Bremerhaven, "Deutsche See" and University of Bremerhaven) and Belgium (VOKA – Chamber of Commerce West Flanders, Port of Zeebrugge, Port of Oostende, POM West Flanders).

The project will investigate and develop green transport corridors for food products between regions around the North Sea. This will lead to concrete modal shift pilots along the identified green transport corridors and to the development of (new) food platforms or hubs. In order to improve the food-logistics chain, new technological solutions will be incorporated, such as a technical support platform.

Central Aim

- *Optimization and coordination of food logistic chains in the North Sea Region: improve the accessibility and transport logistic system of different food clusters in the North Sea Region;*

- *Strengthen the food industry within the NSR: strategic position as FOOD HUB.*

Food Port Priorities

- *Promote the development of multi-modal and transnational transport corridors;*
- *Promote the development of efficient and effective logistic solutions.*

Lifting the Spirit - HITRANS Trial

1. HITRANS has submitted a bid to fund trial movements of bulk spirit by rail. 50% intervention is available, with match funding coming from the private sector and ourselves and partners. Confirmation of funding will be in early May 2012.
2. HITRANS will work with a number of distillers in Speyside to identify volume availability, location, distance from railhead, loading time, loading facilities etc. A plan will be devised for the efficient transfer of 16-20 containers of bulk spirit to move 2-3 times per week from Elgin to Central Scotland. Data from our Rail Freight Capability Study 2010 will be used to inform gauge, length and routing. There may also be opportunities to load spirit from the Inverness area.
3. HITRANS will invite tenders for rail haulage and for container tank lease. Specialist consultancy may also be required. Initially rail freight companies will be invited to express interest and provide indicative costs before a preferred partner is selected.
4. Road collection of product and delivery will be managed by distillers through existing contractual relationships.
5. The true costs of the rail operation will be established, and environmental benefits calculated. Potential resilience, performance and road maintenance benefits will also be established. The environmental assessment element of the project will be audited by an academic partner.
6. All data captured will be available to the whisky industry and to Food Port partners.
7. The first trains are programmed to run in Autumn 2012, with the great majority of the physical works being completed within the 2012/13 Financial Year
8. The total cost of delivering the 'lifting the spirit' project is estimated at EUR 200,000, of which EUR 100,000 is requested from within the Food Port Interreg 4B project. The remaining EUR 100,000 will be provided by local partners, of which HITRANS contribution will be £50,000.

Recommendation

1. Members are asked to note the report.
2. Members are asked to approve £50,000 funding for the project in the 2012-13 Business Plan.

Risk	Impact	Comment
RTS delivery	√	This project fits well with RTS Horizontal themes on mode shift and freight
Policy	√	This project has positive environmental benefits.
Financial	√	The HITRANS element of funding for the project is available within the 2012/13 R+D Programme. HITRANS officers are currently in discussion regarding Local Partner funding. Food Port Interreg funding is subject to confirmation in early May. No financial commitment will be made until all necessary funding is in place.
Equality	-	No impact on equalities issues.

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