

REPORT on an INFORMAL MEETING
between BRITISH RAIL and the
SCOTTISH POTATO TRADE ASSOCIATION
held at the Station Hotel, PERTH
at 11 a.m on Thursday 13th SEPTEMBER 1979

PRESENT: B.R.: Messrs. D.R. Harries and R. Johnson.

S.P.T.A.: Messrs. J. H. Barr J. Waddell and T. McClung, with
D. Blackmore (Assistant Secretary) in attendance.

APOLOGIES: Mr. Blackmore apologised that Mr. R. David Hunter was
unable to attend.

POTATO
FREIGHT
RATES:

Opening discussions, Mr. Barr explained the Association's
problems in respect that the current rates are valid only until
the end of the year. Mr. Harries pointed out that B.R had increased
the rail element of its rates by 8% across the board from 1st.
January, 1979 since when road haulage rates had increased by 17½%
and again (more recently) by addition of a fuel surcharge. Current
B.R. rates clearly lagged behind, for which reason an en-of-year
review had been introduced. In broad terms B.R is to seek a 20%
across the board increase in freight rail element in October, 1979
(composed of 17½% inflation plus fuel costs to date and possible
by year end). If one includes the cartage element the overall
increase would be of the order of 27½%. Present potato rates
already contained some 20% cartage element increase over last year.

Mr. Barr confirmed that Association members generally are
more concerned with the rail element. He recognised that the
Trade's Seasonal basis overlapped B.R's calendar-year basis but
would look for as much early warning as possible of revised rates,
since forward sales build up rapidly from harvest time.

Referring to B.R's overall strategy Mr. Harries explained
that for sensible economic reasons he was quite unable to give a
firm indication at this time but under pressure would suggest that
(emergency developments apart) the Association should contingently
allow for not more than 10% increase in the rail element of potato
freight rates from 1st. January, 1980. He would hope the increase
in the cartage element could be restricted to that same level also
but this view was much less reliable meantime. He undertook to
ensure that a definite official announcement would be made as soon
as possible, but no later than mid-November, 1979.

In reply Mr. Johnson explained that withdrawal of
NASPM/SPTA exclusivity of potato freight rates would provide very
minimal non-member access to them. Since the B.R share of potato
traffic was nowadays 25% compared with 50% when the experimental
"incentive" rates were first introduced, the experiment had not
achieved its purpose. Mr. Harries agreed to re-consider the
matter if the withdrawal of exclusivity caused a fall-off in
membership of the two Associations.

"BONUS"
SCHEME
1978

Mr. Blackmore explained that two Association Members
had notified grievances under the Scheme and had called upon
the Association to take the matter further on their behalf. He
gave full details of the sequence of announcements of details of
the Scheme which had given rise to confusion and justified the
grounds for the two complaints. Due to staff changes and an
apparent subsequent two-Company merger, he had been unable to
obtain full details of one of these claims (for £560) but was
able to give full details in support of the other (for £380).

Mr. Johnson confirmed both claims had been rejected
because their "norms" had not been notified to Glasgow (for
computer entry, on which the administrative cost of the entire
Scheme had been founded) by 31st. October, 1978. Mr Harries added/

added that the Scheme had been a mistake that would never be repeated in the same form and, because manual investigation of the many such late notified claims would have created disproportionate and unacceptable additional administrative costs, the "deadline" had been rigidly applied. Since admission of even one claim would prejudice rejection of all others and any negotiations must necessarily involve both NASPM and SPTA jointly, B.R. was bound to maintain the "deadline" rule.

Mr. Barr was disappointed that the logic of B.R.'s position should over-ride the genuine merit of misunderstanding that had occurred and regretted that the Association's representations should prove fruitless.

CLAIMS

Turning to discussion of problems arising from claims in general Mr. Barr deplored that delays in negotiations appeared to be inevitable, adding to problems of the original claim. "Mid-point compromise" settlements must also encourage claims to be inflated at the outset and he sought means to eliminate delays.

Mr. Johnson explained that B.R.'s Claims Department, quite separate from the freight and all other departments, deals with all claims from all of them. Mr. Harries felt all Association Members should have a copy of B.R.'s Standard Conditions of Carriage and Mr. Blackmore undertook to circularise these when received.

There was a very full discussion of the main types of claim. In frost-damage cases the Association felt B.R.'s reliance on its Chemist's Report assumed undue authority since, without a chemical test which determines precisely when frosting occurred, assessment of it must be a matter of human judgement in which many factors are to be taken into account. Mr. Johnson agreed with Mr. Barr that in frost-damage cases it is essential to provide urgent advice to the consignor and to obtain further instructions but Mr. Harries explained potato rates must be charged for returned consignments, since any cheaper rate would be tantamount to admission of B.R. liability. He also gave a very concise outline of B.R.'s position and responsibilities both as general carrier and under the Sale of Goods Act etc.

In respect of short delivery claims, Mr. Johnson agreed that B.R. staff cannot attend all loadings or give signatures for quantity at subsequent sealing of vans. Mr. Harries pointed out that to do so would require excessive and costly staffing. It was agreed complications existed in the times between loading and sealing and between unsealing and completion of unloading, both times attracting their own particular types of sharp practices. Mr. Harries accepted these problems are there but B.R. can do very little about them on its own. Mr. McClung pointed out these claims are much more prevalent in the ware trade and occur most frequently at particular urban destinations, notably Dewsbury in his own experience, irrespective of many different loading points. It was agreed that test loading and /or consignor Sealing of vans should be considered.

Mr. Harries outlined a three point programme of action, First, he will discuss with Claims Department the questions of "horse-trading" and reducing negotiating delays, including preparation of a list of details that should be provided at the outset of every claim. Mr. Blackmore undertook to circulate a copy of the list to all Association members when it is received.

Second, he will take steps to ensure that in all cases of consignee rejection full details of the grounds for rejection will be notified urgently to the consignor and his further instruction obtained.

Third, /

Third, that a complainant aggrieved at undue delay or unfairness in negotiation of a claim will be allowed to approach Messrs. Harries or Johnson direct to intervene to seek special consideration.

Having in mind last winter's "bottle-neck" delays (e.g. at Carlisle and Bristol) and to avoid claims whenever possible, Mr. Waddell enquired whether B.R. could provide pre-loading warning or in-transit advice to consignors. Mr. Johnson explained that B.R. could not readily initiate the latter and (to avoid centralisation of all enquiries in Glasgow) recommended consignors becoming aware of delayed transit to enquire^{at} their loading point or its Area Managers Office who can use the TOPS system to provide a speedy wagon-number location reply.

ROLLING
STOCK
SUPPLY

Mr. Harris stated that old vans are continuing to be phased out in favour of the new big vans. Mr. Waddell pointed out the latter had not been available in Forfar due to slow loading and turn-round time (same-day loading of them there not being practical at the time). Mr. Johnson stated the same situation will apply again this year and, (in further reply to Mr. Waddell) agreed that long term pre-notification of a larger user's van requirement would be of valuable mutual assistance but (though it should) it couldn't be guaranteed that in a short supply situation it would increase that user's share of vans available on any particular day.

Mr. Barr warned that substantial peak loadings should be expected in November and February again this Season, which the Association regarded as now the traditional pattern. Mr. Johnson recalled that trouble occurred last year when the first peak materialised after the adequate supply of vans assembled to meet it had been dispersed.

Mr. Harries explained that the new big van "Speedlink" service was now fairly well established in Dundee, based on which B.R. wants to improve the same service in Aberdeen and is looking for help to generate the necessary demand which possibly will reveal Seasonal pattern trends.

STATIONS
RAILHEADS
ETC.

Mr. Harries stated that Brechin Station is to be closed, probably within the next twelve months reflecting, once again, the effect of total line-maintenance costs on a declining "freight only" situation. Alternative facilities will continue to be available at Montrose and Arbroath. Laurencekirk and Inverkeillog freight traffic continues to decline and closure of freight facilities there remains in prospect. Although revenue continues to exceed expenditure at the moment and in the foreseeable future at Forfar, that station is not expected to survive non-availability of old vans in about three years time.

Stressing B.R.'s enhanced commercial motivation (especially within the current government's policy commitments) Mr. Harries reminded the Association that freight operating losses of £70m. in 1977 had been reduced to £5 in 1978. B.R. was now in a freight operating profit situation which it had every intention of improving. Increasingly, fast efficient services between fewer strategically centralised depots, is generating those profits and justifies continuing pursuit of established policies.

Within this structure he cited the prime example of the Plumstead Depot (in S.E. London) from which onward delivery within a fifty-mile radius was undertaken by private road-haulier interests. Similar situations already exist and others are developing in other locations. Mr. Harries felt that Perth or Dundee could become such a location. Grant-aided, jointly funded, skid pallet and blade forklifted facilities could provide the necessary quick loading/unloading/turnround capability. Such would require to/

to provide long term advantages to all concerned and he proposed that a joint BR/SPTA feasibility study be considered.

The Association representatives agreed the proposal provided much food for thought. It was pointed out that funding was out-with S.P.T.A resources and grant-aid was not necessarily a foregone, guaranteed start point. There was a short discussion of a possible monopoly road haulage outlet situation arising, but pressure of time required the Meeting to be concluded.