

East West Rail Consortium
11th September 2018

Agenda Item 9: Work Programme: Freight Topic Paper (England's Economic Heartland Strategic Alliance)

Recommendation: It is recommended that the meeting:

- a) Note the progress made in developing the Freight Topic Paper**
- b) Identify specific EWR related issues to be considered as part of this commission (having regard to the brief attached in Annex A).**
- c) Approve a contribution of £25,000 from Consortium Funds as funding towards the topic paper.**

1. Background and Context

- 1.1 This meeting agreed (at the AGM on 11 April 2018, item 9.5) to include work on freight as a priority for the 2018/19 Work Programme.
- 1.2 Subsequent discussions with England's Economic Heartland Strategic Alliance (EEH) confirmed that both parties were looking to undertake a study into freight along the East West Rail/Oxford-Cambridge corridor. To ensure this work was both cost effective and efficient, it was recommended that EEH would commission the work ensuring the Consortium's freight interests are at the proposal's core.

2. Freight Topic Paper Proposal, including Funding

- 2.1. EEH have developed a brief for a Freight Topic Paper. The brief of work has been developed using a number of stakeholders (listed within 8.2 of Annex A). The mandate for this work is driven by the need to incorporate the Heartland's freight needs as part of its overarching Transport Strategy.
- 2.2. To set the direction of travel for the work, a question has been set. This being: how will EEH holistically plan for the most efficient way of providing access to goods that unlocks economic potential, protects environment and future-proofs the network for the benefit of everyone?
- 2.3. EEH expect this study to define a clear starting point for freight sub nationally, analyse the implications of future scenario changes and identify how the region can capitalise on opportunities/reduce risks and achieve this by drawing on technical conclusions.
- 2.4. An expression of interest exercise was conducted with EEH Delivery Partners with a deadline of 10/08/2018. Two partners (Jacobs and WSP) responded confirming they were interested in submitting proposals.

- 2.5. An invitation to tender process was conducted, inviting Jacobs and WSP to submit proposals with a deadline of 31/08/2018. The two Delivery Partners agreed to submit a collaborative joint proposal to strengthen expertise and compliment strengths.
- 2.6. At the time of writing, the proposal from consultants is due 31/08/2018. The EEH Business Unit will evaluate and appraise the proposal with support from the Transport System Catapult's (TSC) Freight Team who is providing additional quality assurance.
- 2.7. A funding contribution from the Consortium of £25,000 is sought for this work. This would ensure the Consortium has a share in this Topic paper and avoids the need for a separate commission.

3. Specific EWR Issues to be analysed within the Freight Topic Paper

- 3.1. To demonstrate the importance of hearing the views of the Consortium first hand, Freight Leads from WSP and Jacobs have been invited to this meeting.
- 3.2. The outputs being sought in this work have been listed in Section 5 of the Topic Paper Brief (Annex A). The meeting is invited to feedback on specific areas of focus that will deliver these outputs. These should underpin the existing thematic topic areas. Where appropriate, the contact details of key colleagues should be shared with EEH/Delivery partners.
- 3.3. Views sought from members regarding alternative opportunities of focus should align to the outputs of work required in the brief, the nature of work and Consortium priorities.
- 3.4. To ensure the wider implications of the supply chain are considered in this work, EEH have requested consultants' organise a series of workshops/focus groups with key partners (with support from TSC). EEH have engaged the East West Rail Consortium Group (Western Section) and recommended that a point of contact is established from this group, who will represent the Consortium's needs in this project and attend future workshops.

Next steps

- 3.5. The timescales for completion of the Freight Topic Paper is between 4- 6 months. The work will be formally commissioned in September 2018, with proposals received in August 2018.
- 3.6. EEH propose that a combination of the single point of contact established from the Consortium Officers Group and future Consortium Strategic Board meetings are used mechanism to update the Consortium and ensure they continue to feed into this project.

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EEH Delivery Partners - Freight Topic Paper Brief August 2018

1. Purpose of Commission

- 1.1. How does England's Economic Heartland (EEH) plan for the most efficient way of providing access to goods that unlocks economic potential, protects environment and future-proofs the network for the benefit of everyone?
- 1.2. The purpose of this study is to define a clear starting point for freight sub nationally, analyse the implications of future scenario changes, identify how EEH can capitalise on opportunities and mitigate risk – and plan for this by drawing on technical conclusions.

2. Strategic Context

- 2.1. Freight and logistics will play a key role in servicing the needs of the Cambridge-Milton Keynes – Oxford arc (CaMkOx) and the wider Heartland area over the next 30 years. EEH need to understand how it can set the right conditions regionally, balancing the effective distribution of freight with the environment; by planning for freight holistically. This study will help EEH take a strategic view on freight.
- 2.2. In a scenario where freight and logistics are not managed efficiently, business will be stifled, construction would slow, air quality would worsen and the cost of congestion and damage to infrastructure would be unsustainable.
- 2.3. The NIC have identified the CaMkOx arc as a national priority, due in part to its existing clusters of world-class research, innovation and technology. The Heartland region is located near or within the 'Golden Triangle of Logistics'.
- 2.4. Unlocking the region's full potential is dependent on the delivery of major transport infrastructure, doubling housebuilding and connecting existing communities through well designed placemaking.
- 2.5. The delivery of circa one million new homes by 2050, major urban extensions and the construction of infrastructure schemes such as East West Rail and Oxford-Cambridge Expressway are examples of ways we will see haulage movements continue to rise throughout this period of unprecedented growth.
- 2.6. But the value of freight also extends to the Heartlands approximate 5.1 million population who are all reliant on freight, either directly or indirectly as consumers. The Heartland needs to understand how it can continue to harness the benefit of freight due to the rise of E-commerce, so its communities can continue to have access to a range of goods and services – enriching their quality of life.

- 2.7. The region's internationally significant business hubs, which range from scientific research to motorsport, all depends on the effective movement of goods. The growth and output of these businesses are reliant on the supply chain industry. Reducing the number of barriers for the import/export of goods to these sectors is critical.
- 2.8. The findings from the study will serve as a supporting document to be included in the overarching Transport Strategy.

3. Proposed Methodology

- 3.1. The study is expected to follow an approach based on an 'Understand, Align, Enable' model. In this a clear starting point will be to prepare an evidence base that combines objective measurement with consideration of the socio-political angles. Then to determine the extent to which current trends and patterns are at variance with, or can be aligned with, EEH priorities. Following this, look for opportunities whereby EEH can enable change by capitalising on opportunities, working closely with key stakeholders.
- 3.2. Part of the study will analyse existing freight activity in the Heartland. It should consider how changes in technology, market activity and consumer behaviour may influence freight. It should consider the implications of future freight demand on the Heartland's transport network and identify corridors requiring strategic prioritisation and/or intervention to ensure productivity and growth continues to occur, applying win/win solutions to the industry and consumers where possible.

4. National Policy / Strategy:

- 4.1. **Transport Investment Strategy 2017:** Sets out the government's priorities and approach for future transport investment decisions. It estimates that under a high growth scenario, by 2040, congestion could cost the freight industry £3.7 billion.
- 4.2. **National Infrastructure Delivery Plan 2016-2021:** It reports that roads are the backbone of the transport system, used for almost 70% of freight. The National Infrastructure Commission has been commissioned to produce a report on the impact of Freight by 2019.
- 4.3. **Industrial Strategy 2017:** Values the role of UK ports which handle 95 percent of UK freight. These gateways attract inward investment and keep the UK competitive.
- 4.4. **National Planning Policy Framework 2012:** Paragraph 31 calls for local authorities to work with each other to develop strategies to support sustainable development such as rail freight interchanges. Paragraph 35 stipulates the need for new development to be located and designed, where practical, to accommodate the efficient delivery of goods and supplies.
- 4.5. **Rail Freight Strategy 2016:** Examines the future potential of the rail freight industry and considers what new skills and technology is required to deliver the economic benefits associated with delivering more goods by rail.



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- 4.6. **Highways England The Road To Growth 2017:** Recognises that freight and logistics are completely reliant on the strategic road network (carrying two thirds of freight traffic) and how delays in freight cost the UK. It commits to work with the DfT and the freight industry on trials for freight platooning (lorry convoys) that should reduce journey time and could bring other savings to the logistics sector.
- 4.7. **Highways England - Connecting the Country:** a forward thinking Strategy that identifies the trends that could shape the SRN which currently accounts for around for two-thirds of Freight movements. A scenario planning approach sets out how the freight sector may respond to future changes such as the introduction of vehicle electrification and driverless platoons.
- 4.8. **National survey of lorry parking 2018:** Comprehensive study undertaken in 2017 of the capacity and utilisation rates of overnight lorry parking in England. The most urgent need of parking was found to be in the South East, where 37% more overnight parking spaces are required.
- 4.9. **NIC Freight Study:** An emerging study requested by government looking at the future of freight. The study will review options to improve the existing infrastructure and recommend ways to use new technologies and processes to transform how freight moves by road and rail through the country. An interim report is expected in autumn 2018.
- 4.10. **Major Infrastructure Projects:** A range of major strategic infrastructure projects within or on the periphery of the Heartland region (e.g Heathrow/Luton Airport, HS2) will have a significant influence on the freight and logistics industry.

5. Scope of Work / Outputs being Sought

- 5.1. The outputs in this list are not exhaustive and should form the basis of discussions between Delivery Partners and the EEH Business Unit.

Using existing data from publicly available sources, including the EEH Databank and from partner organisations complete the following objectives:

- a) Understand the availability of evidence that will allow consideration of the impact of freight on the Heartlands key road and rail corridors, including those outside the SRN, informing future studies and the implications for new infrastructure.
- b) Understand the relationship between freight and key transport hubs in the Heartland area to make recommendations on the future capacity requirements of these strategic interchanges.
- c) Assess the impact through flow of freight has on the Heartland's road network; identify 'hotspots' that will inform a shortlist of locations that may benefit from targeted investment where appropriate.
- d) Identify areas where there may be a disconnect between local and national planning regarding freight, a review of which could help inform future policy discussion with government.



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- e) Model, analyse and plot key origins and destinations (including mode and commodity) of freight movements through the Heartland that can be used to apply to future projects.
- f) Undertake research on key business sectors in the Heartland to ascertain their growth requirements in relation to freight, including the needs of the local workforce.
- g) Apply a scenario planning approach to growth requirements within the Heartland to understand the volume of freight movements this may generate, and what the opportunities and barriers to this are.
- h) Review the potential of emerging technologies that may contribute to the efficiency of freight, supports the environment and helps drive economic growth, ensuring the region continues to thrive.
- i) Analyse the opportunities for intermodal rail freight - transferring goods from road to rail, including the movement of construction materials by rail.
- j) In recognition of the impact strategic infrastructure projects will play in the region, there will be a complementary consideration of the management of traffic associated with construction.
- k) Prepare a clear 'Plan of Action' that covers strategic short/medium/long term regional freight opportunities, the measures and interventions required to capitalise /influence these and the anticipated sources of investment.

6. Stakeholder engagement

- 6.1. All identified stakeholders will be needed to be engaged virtually or via workshop(s) as part of the work programme. The intention is to use this network of stakeholders to shape the work programme and advise/guide the work being taken forward by the delivery partners.
- 6.2. It may be appropriate to establish a freight focus group as the programme of work develops. This will help to keep partners (section 8) sighted on the progress of the Topic Paper. The function, roles and responsibility of this group will need to be explored further with delivery partners. Moving forward it might be appropriate to continue to use the focus group as an advisory body for the emerging Sub-national Transport Body.
- 6.3. Initial discussions with stakeholders have already begun, including the Chartered Institute of Logistics and Freight, the Rail Freight Group, Transport Systems Catapult and the National Infrastructure Commission. Delivery partners are invited to identify any specific groups or bodies that they suggest need to be included (Section 8).
- 6.4. Separate discussions have also begun with the East West Rail Consortium: the members of the Consortium have identified the need to look at the freight potential opened up by the rail link. The work being taken forward through this commission will be used to address this issue.



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7. Communication of the Topic Paper

- 7.1. The expected deliverables in the study should include items of practical value to EEH members and stakeholders. For example GIS Layers, templates for local studies such as parking space counts, lists of local haulage company contact details etc. Where appropriate, information collected through this work will be added to the regional database held by EEH and available to all local authorities across the Heartland.
- 7.2. There will be a short final report which will be disseminated to all stakeholders and published on the EEH webpage.
- 7.3. The Freight Topic Paper forms part of a suite of documents that will inform the overarching Transport Strategy.

8. Key Partners

- 8.1. No broad based matters can be fully considered without considering the wider implications for the supply chain.
- 8.2. Key stakeholders with expert insight have already been engaged and are happy to contribute to the Freight Topic Paper as/ when required. They are as follows:
 - EEH Transport Officers Sub-group (Local Transport Authorities)
 - National Infrastructure Commission
 - Freight on Rail
 - Rail Freight Group
 - Road Haulage Association
 - Freight Transport Association
 - East West Rail Consortium
 - Transport Systems Catapult
 - UK Major Ports Group
 - Air Freight Representatives (if appropriate)
 - Chartered Institute of Logistics and Transport
 - Key Business Community
 - Local Enterprise Partnerships
 - Transport for London
 - Network Rail
- 8.3. EEH Business Unit is liaising with the Local Enterprise Partnerships to ensure that the work commissioned is aligned with work being taken forward by them on both the Local Industrial Strategies and the wider Economic Vision. This work will need to be reflected in the Topic Paper.

9. Outline Project Plan

- 9.1. Early discussions with Transport Systems Catapult (TSC) have identified an appetite to work collaboratively on this commission due to the mutual benefits associated. TSC are particularly interested in ways we can plan for the regions freight needs and understand barriers and opportunities to economic development. Collaboration on this project would ensure resources are coordinated and a 'common purpose' is established.



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9.2. The indicative direction of travel for the Freight Topic Paper is shown below:



9.3. This diagram illustrates one approach to the Freight Topic Paper. EEH members will receive progress reports on the work and will have the opportunity to debate the emerging findings before the report is finalised.

10. Assessment Criteria

10.1. Within the indicative timescales proposed (4-6 months) and indicative budget (£50,000-£75,000). Delivery Partners will need to consider the following requirements in any final - proposals:

- How the views of Key Partners referred to (Section 8) will be considered and engaged with (Section 6) before and during the development of the Topic Paper to ensure expertise is fed into the work and buy-in from key stakeholders is secured.
- Having due-regard to other pieces of technical regional freight studies (commissioned by other Sub-national colleagues), set-out a clear methodology/approach for this work.
- The extent and degree to which the outputs listed in Section 5 can be met within budget and timescale.
- Where the cost of the work is greater than the indicative budget, the proposal shall set out what is capable of being delivered within that budget

10.2. **Supplementary information has been sent to shortlisted Delivery Partners to advise them of the information required to form part of their proposal, including EEH evaluation methodology and Terms and Conditions of the Contract.**

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Project Lead

August 2018