

East West Rail Consortium Board
11th June 2019

Agenda Item 6: Freight and Logistics

Recommendation: It is recommended that the meeting consider and comment on the issues identified by the Freight and Logistics study.

1. Background and Context

- 1.1 The Consortium had previously identified the need to commission work that explored the potential for rail freight, recognising the strategic significance of East West Rail as part of the wider national rail network.
- 1.2 The Consortium agreed to contribute £25,000 to the cost of work commissioned by England's Economic Heartland focused on freight and logistics. Part of that work has explored the opportunities for rail freight, including inter-modal movements, as well as considering the movement of construction materials by rail.
- 1.3 The consultants undertaking the work – WSP – have attended meetings of the Consortium and engaged with partners across the EWR project. Their report has been submitted and EEH intends to publish the report at the time of their 3rd Regional Conference (16th July).
- 1.4 The purpose of this discussion is to brief the EWR Consortium on the output of the study and to seek its view on key issues moving forward.

2 East West Rail – its potential for freight

- 2.1 The report records that East West Rail project has always been promoted as having the capability to accommodate freight trains, noting that the Western Section has been specified with W12 loading gauge, which makes it suitable for intermodal services, and that the track and structures will be strong enough to carry freight trains and locomotives.
- 2.2 However, it goes on to note that there is a risk that capacity for freight trains, in terms of daytime timetable slots, will be limited. Current plans only require capacity to accommodate existing rail freight demand, which is little more than 4 or 5 trains per day, none of which cover long sections of the route.
- 2.3 As the Consortium will recall the East West Railway Company has consistently stated that capacity for more freight trains could be provided as long as demand could be demonstrated and a business case put forward.
- 2.4 The Central Section consultation document stated: "The current indicative cost estimates are based on building a rail link that accommodates all types of rail freight. EWR Co will continue to consider whether providing capability for all types of freight is affordable and provides value for money in the context of anticipated freight demand."

- 2.5 The Consortium is invited to note the difference between accommodating freight trains and providing capacity.
- 2.6 The report notes that a key benefit of EWR is that it links the traditional main-line corridors that run across the Heartland – Chiltern, West Coast Main Line, Midlands Main Line, East Coast Main Line, West Anglia Main Line.

Potential Demand

- 2.7 The report continues by identifying several potential flows of rail freight that might use East West Rail:
- *Existing Trains* – there are one or two trains per day currently using the route, with potential for growth to and from Calvert (up to 8 trains per day, but these only use a short section of EWR).
 - *Diverted Trains* - trains which currently use alternative routes but which could be diverted to use EWR. It is not clear which services might benefit, but East West Rail could improve access to terminals in Northamptonshire from Southampton, and delivery of the Eastern Section would offer opportunities to further improve rail freight access to Felixstowe.
 - *Construction Materials* – given the scale of growth likely within the Oxford to Cambridge Arc there will be a significant demand for construction materials. The aggregates industry would favour using rail to bring bulk materials to rail terminals. This could also include construction related work associated with major infrastructure proposals
 - *Intermodal Services* – the report identifies the potential for new intermodal terminals (container terminals) close to new or existing distribution parks. It notes that this could include already identified opportunities at Bicester (the MoD site) and within the Bedfordshire brickfields.
 - *Intra-regional Services* – the report notes that East West Rail will offer a faster route between Cambridge and Oxford that could be used for parcel traffic and potentially other goods. Innovation of this kind might form part of an integrated approach to freight and logistics as part of the broader approach to first/last mile solutions.
- 2.8 The report notes that construction materials alone could generate several trains per day and that intermodal terminals located on or near EWR could generate 6-12 trains per day.
- 2.9 The potential for East West Rail to form part of a strategic rail freight network – one that provides linkages to/from the ports of Felixstowe and Southampton is also highlighted. An initial assessment suggests a combined opportunity of potentially 20 or more trains per day.

Williams Review

- 2.10 In its submission to the Williams Review England's Economic Heartland identified the need to ensure that planning for rail freight is not just enhanced within the rail industry but more broadly as part of the wider transport system.
- 2.11 The submission noted that given the primary focus for the Heartland is realising the economic potential of the region, then understanding the future requirements of the business community when it comes to freight and logistics is absolutely critical.

- 2.12 It goes on to note that the London Mayor's Transport Strategy sets out his ambition to remove long-distance through freight movements from the Gospel Oak to Barking line: the argument being that this will free up space for additional passenger services.
- 2.13 In supporting the London Mayor's Strategy EEH's Strategic Transport Forum emphasised the need to work together in ensuring that an alternative strategic route is available to accommodate the displaced freight movement.
- 2.14 The submission goes on to state that the challenge at the moment is that the rail industry views investment in freight capacity as being driven by market forces. However, the ambition to redirect freight movements may well be driven by wider public sector policy choices.
- 2.15 It concludes by suggesting that it is entirely appropriate for the public sector to set the framework within which the rail industry is developed but in doing so it must also accept that a consequence of such an intervention may be the need for the public sector to make the investment on the basis of the wider public good derived from it.

National Infrastructure Commission: Better Delivery

- 2.16 The NIC's final report on freight and logistics noted that
"Availability of land for freight distribution centres and other infrastructure is crucial for the efficient operation of the sector, and will be even more important in future for enabling optimised last mile operations. The most effective way of managing freight's impacts on congestion while allowing efficient operations is by planning for the needs of freight at an early stage of statutory planning processes. For major new developments, this should be part of the thinking from the outset, recognising freight as an essential part of enabling and supporting infrastructure."
- 2.17 It follows through on these comments by recommending that:
"Government should produce new planning practice guidance on freight for strategic policy making authorities. The guidance should better support these authorities in planning for efficient freight networks to service homes and businesses as part of their plan making processes. This new planning practice guidance, which should be prepared by the end of 2020, should give further detail on appropriate considerations when planning for freight."

3 Other Considerations

- 3.1 The report identifies a number of other issues that the Consortium should consider and potentially offer an initial view on.
 - a) *A Logistics Forum* – the report reflects on the establishment of Freight Quality Partnerships (FQPs) in the 1990s. It comments that whilst most FQPs were briefly successful they were difficult to sustain due to cost and the challenge of maintaining business interest.
 The report suggests a regional logistics forum might be well placed to secure interest from businesses, noting that some businesses would prefer to work with a regional forum rather than multiple local forums.
 - b) *Establish a logistics innovation working group* – noting that the Heartland region is already a leader in innovation the report suggests that the partners

should look to capitalise on this and develop the capability to be a region in which different approaches might be trialled and their impact evaluated.

It notes that innovation will require collaboration between government, industry, technology providers and academia. It suggests that Catapult's model for managing innovation working group might be a starting point for such an initiative

- c) *Addressing the issue of Data* – the report identifies the lack of freight data as a constraint on the ability of local partners from planning investments which focus on the priority areas for freight and logistics, and inhibits businesses from collaborating to improve their operations.

The report suggests that Sub-national Transport Bodies should look to address this issue as part of their work on establishing and maintaining a regional evidence base.

4 Next Steps

- 4.1 The Consortium is invited to consider and comment on the issues identified by the Freight and Logistics study.

May 2019