

Transport for the North Scrutiny Committee Meeting Item 5

Subject: Freight and Logistics Update

Author: Lucy Hudson, Principal Policy Officer – Freight and Logistics

Sponsor: David Hughes, Director of Strategy and Programmes

Meeting Date: 14 May 2020

1. Purpose of the Report:

- 1.1 This report provides Transport for the North's (TfN's) Scrutiny Committee with an update on Freight and Logistics activity.

2. Executive Summary:

- 2.1 This report will cover the current Freight and Logistics activity across TfN. It will consider the Integrated Rail Plan, Trans-Pennine Route Upgrade, the Analytical Framework and the industry response to Covid 19.

3. Consideration:

3.1 Update on current activity

Freight and Logistics activity at Transport for the North has changed since the publication of the Strategic Transport Plan (STP). The work was an individual work area, to be fed into projects and programmes when required.

Since the publication of the STP, the organisation has embraced the freight agenda and embedded activity into the work programmes across TfN.

The publication of the STP and the Enhanced Freight and Logistics Analysis report that accompanied the draft STP in February 2019 marked a step change in how the industry was considered within TfN activity. The publication of the Enhanced Analysis report gave a detailed account of the industry and its position in the North and has been used to inform the Strategic Development Corridor work,

development of Northern Powerhouse Rail Strategic Outline Business Case (SOBC) and the development of the initial TransPennine Route Upgrade work. TfN has had a continued presence at DfT and Network Rail at a national level and has secured the consideration of TransPennine freight as piece of strategic planning work to be started in Autumn 2020. This provides strong links to the work on TransPennine Route Upgrade.

In the 2020/21 business year, TfN is further developing its position on Freight, including through the work on the Investment Programme, the Integrated Rail Plan and through major scheme development (for example on the next stages of Northern Powerhouse Rail development).

3.2 **Importance of Freight to the North's economy**

The North's ports have invested and are able to cater for a greater share of the intermodal freight market, but they are limited by the capacity of the rail network and road access to and from ports. Attractive market conditions must be created to enable the private sector to expand airports and ports, and for shipping lines and airlines to improve international connectivity.

Freight is also crucial for the energy sector as it supports the delivery of major projects, including the movement of fuel and waste, and supporting the delivery of major construction projects.

Reducing carbon emissions and improving air quality is now imperative. Decarbonising the freight sector will require collaboration across the public and private sectors and targeted investments in technology and infrastructure to reduce the reliance on carbon.

In terms of decarbonising rail freight, electrification is the most credible way forward. This will require detailed planning and understanding of investment required in future. For road freight, alternative fuels and ways of moving goods and materials including electric vehicles, platooning of freight and other technologies, needs to be considered. TfN's work on the Decarbonisation agenda is integral to the Strategy Team's current work.

3.3 **Integrated Rail Plan**

This work involves the development of an integrated rail plan for the Midlands and the North. Our vision for rail in the North is clear and built from the solid foundations of the Strategic Transport Plan, the Long Term Rail Strategy and the development of Northern Powerhouse Rail.

The outcome we need from the Integrated Rail Plan is an agreed, phased 20 year pipeline for major rail investment can build the key rail markets, help grow the economy, reduce dependency on cars and

stimulate investment in our people, businesses and places. That pipeline becomes even more urgent in the wake of the current crisis. Now is the time to provide long term certainty and invest in getting the economy moving.

The case for investment in rail in the North has been made and accepted by government and has strong cross party support. We are clear on what interventions are needed. The Integrated Rail Plan now represents that opportunity to consolidate planning and development activity as one process that can match the level of vision and investment needed.

For the freight industry, we have focused on ensuring that the capacity for freight growth is captured and built upon. We need to prepare for the future growth that was anticipated in the Northern Powerhouse Independent Economic Review and the growth in the Northern economy. The Northern Ports have significant growth plans and Liverpool has now secured ships onto the new container terminal that was built at Liverpool 2. The capacity there for hosting the super-sized containerships (Post-Panamax) is being realised with significant increases in freight movements from the Port. Ports on both the East and West coasts of the North have growth in traffic with Liverpool securing trains to and from Scotland as well as East Coast ports as well.

Securing this investment involves maximising the opportunity that the TransPennine Route Upgrade offers which is discussed below. Additionally, it needs to be recognised that large scale infrastructure building needs to be underpinned by a responsive freight market with the ability to access the network to supply the materials and support required in building new railways.

3.4 [Trans-Pennine Route Upgrade](#)

TransPennine Route Upgrade (TRU) is a scheme that is being considered by the Department for Transport and looks to enhance the railway between York and Manchester via Leeds and Huddersfield.

Industry, including the Northern Ports have repeatedly told TfN that a gauge cleared rail route across the Pennines is essential for the future of the railways in the North. This is supported by TfN existing evidence within the Enhanced Freight and Logistics Analysis. Developing TRU with gauge clearance would allow freight train operators to take a train with containers of cargo rather than simply heavy haul stone or aggregates trains across the Pennines opening routes between the Tees, Tyne and Humber with the Manchester and Liverpool markets. It would help open opportunities for different trains to run across the North. This is not possible today because some bridges and parts of the railways are too narrow for the trains to pass under and through.

The work to understand the business case is ongoing with the DfT and has been the subject of reports received by TfN Board and the Rail North Committee. The freight position remains clear – ensuring that there is an appropriate route for container trains to travel across the Pennines, as well as a diversionary route in case the line closures in an emergency or for maintenance remains a priority.

3.5 **Analytical Framework**

The Analytical Framework that TfN is developing includes freight within the modelling. This will enable the North to capture the benefits of delivering the Investment Programme not only on the traditional car and rail user but for the Freight and Logistics industry too.

This will be essential in building the business case for Northern Powerhouse Rail and developing the sequenced Investment Programme. Traditionally the benefits of improving travel for road users and rail passengers would be captured and used to inform business cases and the benefits both from and to the freight industry would be ignored. There are significant economic benefits to be captured if this industry is included because of the value of warehousing, port, transport and elements of rail and road haulage activity.

TfN is developing ways by which the movements of road and rail freight can be captured, reflecting the unique way the traffic behaves. For example – mapping less Heavy Goods Vehicles in the peak travel periods because many drivers take breaks in the peak due to the inefficiency of using paid time to sit in queues if the contents of the lorry and customer requirements fit. This consideration sounds simple but is very difficult to model and include in assessments.

This is ground-breaking work which will add significant value to the way transport programmes are understood across the North. If the methods are adopted nationally, TfN will have added something truly significant to the understanding of the benefits that the industry can deliver and will enable it to be recognised fully for its economic contribution.

3.6 **Forward Look**

In 2020/21, TfN will continue to develop and strengthen the role of freight across key work areas.

Progress with the Investment Programme activity, embedding and further developing freight within the Analytical Framework and the continuing work of highlighting the needs of the freight industry in the North of England will be key elements of the Freight work programme going forward into the current year.

There is ongoing work to consolidate thinking on Policy Positions across TfN. This includes freight and logistics and is ongoing. This will be brought to Scrutiny at an appropriate time within the work programme.

TfN will continue to engage with the sector to monitor the impacts of the recovery from Covid-19 and to ensure the economic recovery plan supports the industry as much as possible. Once the current restrictions are lifted, TfN will continue to work with partners across the freight sector to secure the investment the North requires to realise the ambition set out within the STP.

4. Conclusion

- 4.1 It is requested that Scrutiny note the contents of this report as an update of TfN Freight activity.

5. Recommendation:

- 5.1 It is recommended that the Committee note the report.

List of Background Documents:

The following background papers were considered in preparation of this report –
Enhanced Freight and Logistics Analysis published February 2019.

Required Considerations

Equalities:

Age	No
Disability	No
Gender Reassignment	No
Pregnancy and Maternity	No
Race	No
Religion or Belief	No
Sex	No
Sexual Orientation	No

Consideration	Comment	Responsible Officer	Director
Equalities	A full Impact assessment has not been carried out because there are no equalities impacts associated with this report.		David Hughes

Environment and Sustainability

No

Consideration	Comment	Responsible Officer	Director
Sustainability / Environment – including considerations regarding Active Travel and Wellbeing	A full impact assessment has not been carried out because the report does not have direct impacts on sustainability and the environment.		David Hughes

Legal

No

Consideration	Comment	Responsible Officer	Director
Legal	<i>TfN Legal Team</i> has confirmed there are no legal implications.	Julie Openshaw	Dawn Madin

Finance

No

Consideration	Comment	Responsible Officer	Director
Finance	TfN Finance Team has confirmed there are no financial implications.		Iain Craven

Resource

Yes	No
-----	----

Consideration	Comment	Responsible Officer	Director
Resource	TfN HR Team has confirmed there are no resource implications.		Dawn Madin

Risk

No

Consideration	Comment	Responsible Officer	Director
Risk	A risk assessment has been carried out and there are no key risks included in the report.		David Hughes

Consultation

No

Consideration	Comment	Responsible Officer	Director
Consultation	A consultation has not been carried out because it is not required for this report.		David Hughes