

All Party Parliamentary Group for High Speed Rail

UK Rail Capacity Inquiry

Evidence from Rail Freight Group

March 2012

1. Rail Freight Group (RFG) is pleased to submit evidence to the All Party Parliamentary Group for High Speed Rail's inquiry into UK rail capacity.
2. Rail Freight Group is the representative body for rail freight in the UK. We aim to increase the volume of freight moved by rail where it is economically and environmentally beneficial to do so, and to ensure that government and railway policy is supportive of rail freight growth. We have around 120 corporate members active across all sectors of rail freight including operators, customers, port and terminal operators, suppliers and developers.

Summary

3. Provision of rail capacity is vital to support growth in rail freight. In the short and medium term, there are measures to make the best use of existing capacity, and to make tactical enhancements to relieve bottlenecks and upgrade diversionary routes.
4. In the long term, we support the development of new capacity on HS2 and the capacity that will be released on the conventional network. We are pleased that the analysis undertaken to date shows that some of the released capacity can be used to support rail freight growth, although have some concerns over the impact on freight growth north of Lichfield where high speed trains rejoin the existing network.
5. UK connectivity is vital to support economic growth, and efficient supply chains are key. Rail freight plays a strong role in providing diverse and resilient supply chains, and the development of new capacity should be future proof by being build freight capable and ensuring that HS2 and HS1 are connected with sufficient capacity and capability.

How do you view the current capacity situation facing the UK's railways?

6. Rail freight is thriving. Since the mid 90's, overall growth in volume has been around 50%, driven by an open and competitive market between operators, investment in new and efficient equipment, and network enhancement leading to more efficient operations.
7. The headline growth figures however mask an underlying trend which is of stagnation or decline in the traditional bulk commodities, particularly coal, and growth in the intermodal and retail sectors. Intermodal traffic has grown by some 60% in the last 10 years, whilst over the same period coal traffic has been volatile with significant highs and lows, but an overall static or declining trend. This is not surprising given the changes in the UK economy overall, and the impact of the

decarbonisation on power generation.

8. Forecasts of rail freight growth produced by RFG demonstrate that rail freight volumes are expected to continue increasing. Growth will continue to be dominated by the intermodal sector, including a significant increase in the domestic sector. By 2030, overall volumes are expected to be around 120% of current levels, with 3.3% year on year growth predicted
9. Bulk traffic has traditionally operated between industrial facilities – ports, mines, power stations, quarries etc. Intermodal and retail traffic serves terminals for the major conurbations – Birmingham, Manchester, Leeds etc. This means that demand for rail freight paths has moved away from less well used rural or freight only lines, and is now focussed on the major north south arteries in the UK.
10. This of course exacerbates the capacity issues on these routes, and, in recent years, has led to the development of diversionary routes for some freight traffic, such as the route from Felixstowe to Nuneaton.
11. Additional capacity is also being provided through longer trains, by seeking additional services at weekends, and by seeking to use existing paths more effectively. But even with such measures, the existing railway is unlikely to be able to accommodate all future growth requirements.

What capacity do you believe the UK's railways will require in the future?

12. As outlined above, meeting the forecasts growth will require additional capacity, particularly on the critical north south axis.
13. Customers who are now using rail freight, particularly in the intermodal sector, are in part driven by a desire to improve their environmental performance. They also understand that rail can be more cost effective, is less susceptible to oil price fluctuation (as it is more fuel efficient) and could, in the future, also make use of electric haulage. Major corporations are seeking diversity in the supply chain in order to remain competitive against a range of future risks.
14. For the UK economy it therefore vital to have an efficient and effective supply chain, and one which can respond to global change. International links are vital, both through major ports, and also through Channel Tunnel, to ensure that UK businesses have efficient routes to market for their exports.
15. Future rail capacity therefore needs to be provided for through links to mainland Europe and to ensure efficient distribution through UK ports.

What is the best way of providing capacity and future proofing the UK rail network?

16. A number of possible interventions are likely to be required, for example;

- a. Short term – making best use of existing paths, longer trains, 24/7 operation, small scale upgrades including of diversionary routes ;
- b. Medium term – tactical interventions to upgrade routes, again including diversionary routes,
- c. Long term – roll out of full ERTMS, new routes such as HS2,

17. RFG supports the development of HS2 to deliver long term capacity for freight growth on the major north-south corridors and in particular the West Coast Main Line. We welcomed the report produced by Network Rail and Passenger Focus which concluded that the released capacity on the West Coast could accommodate around 80-85 freight trains per day between London and Rugby.

18. However, north of Lichfield only the same level of freight traffic as today could be accommodated and that might, in itself require trade-offs with additional passenger services. As a significant proportion of rail freight will wish to travel north of the West Midlands, this is an area that will require further attention as the proposals develop. Clearly, once the full Y shaped network is opened, further paths will be available, but the relative timescales mean that intermediate capacity enhancements may still be required on the conventional route to support through running.

19. Whilst we recognise that there is no current plan for freight use of HS2, the long term economic perspective for the UK would suggest that the route should at least be able to facilitate rail freight movements. High speed freight traffic for lightweight goods is a realistic prospect over the time horizons being considered. This means that the route must be build to be freight capable, and that the connection between HS1 and HS2 must have sufficient capacity and, vitally, full European gauge capability. We have some concerns over the current proposals for this connection.

What will the effects of providing extra capacity be, beyond addressing journey supply? What would be risked by failing to provide that capacity?

20. As outlined above, we consider that ensuring capacity for rail freight is vital to protect the diversity of UK supply chains, to support decarbonisation and fuel security in the future, and to enabling UK companies to import and export goods efficiently, hence helping them to compete internationally.