

Freight

Summary of current ICE position

The UK requires a freight sector that ensures goods can be moved freely, reliably and efficiently around the country while reducing the impact of freight movement on congestion, safety and the environment.

Measures should be introduced to promote modal shift from roads to alternative forms of transport, such as rail, inland waterways and ports to relieve traffic congestion.

To help minimise the environmental impacts of freight movements and ease pressure on the over-stretched road network, ICE calls for a rail network with sufficient capacity for freight, the use of inland waterways and the introduction of a nationwide system of road pricing.

Objectives

- A modal shift of freight transport away from roads as a means of reducing congestion and the environmental impacts of economic activity. Means of facilitating this would include:
 - Expansion of the freight capacity of the UK rail network.
 - Use of inland waterways.
 - Use of the UK ports to service a 'coastal ring road'.

What ICE would like to see happen

General policy

- Government to implement the general policy framework set out in its white paper, *The Future of Transport*.¹
- Government to create faster and more predictable planning procedures for new infrastructure required to support a modal shift for freight. All nationally significant facilities should fall under the aegis of the proposed Independent Planning Commission.
- Government to ensure that strategic planning for freight is incorporated into Regional Spatial Strategies and Local Development Frameworks.

Road Freight

- The introduction of a national road user charging system to reduce congestion and to incentivise a modal shift for freight.

Rail Freight

- An economic framework that facilitates a long term modal shift from road to rail and provides incentives for expansion of rail freight capacity.
- Government and Network Rail to:
 - Develop proposals for dedicated rail freight lines.

- Relieve bottlenecks on the existing rail network with the continued development of suitable rail freight links from ports on England's east coast to the Midlands and beyond. A good example being the project in progress to upgrade and boost capacity on the freight line link to the port facilities at Hull and Immingham.
- Implement the government's plans for a Strategic Freight Network² to reduce conflicts between freight and passenger movements.
- A study into the feasibility of high-speed north-south rail link.

Water Freight

- Government to create incentives for hauliers to utilise inland waterways for high bulk, low value, non urgent, non perishable goods, for example construction aggregate.
- The establishment of a body to co-ordinate and promote the use of waterways for freight transport.
- Local Authorities to protect wharfs and other facilities required to transfer freight from road to inland waterways.
- Government to actively engage with owners and port developers to develop the concept of a port network to service a 'coastal ring road' by:
 - Promoting the development of multi modal facilities, particularly outside of South East England.
 - Agreeing a mechanism for dividing the costs of supporting transport infrastructure based on benefits accruing to users other than ports themselves.
 - Promoting the shift of domestic freight from road to coastal shipping, making use of ports outside the South East of England, such as Mersey, Humber and Teeside.
 - Contributing its share of investment to port development and supporting infrastructure.

Principles

- Goods must be transferred efficiently, cheaply, freely and quickly around the country to meet the needs of society, while minimising the impact on safety, the environment and other transport users.
- Products should be sourced and processed as near to the consumer as possible where there are concurrent economic, transport and environmental benefits.
- Ports are a national asset and should be used more widely to service a 'coastal highway' to relieve the already overstressed road networks.
- Improvements to land transport to provide capacity are an essential part of new and existing port developments.
- Railways, roads, ports and inland waterways should be considered as part of a wider integrated transport network and not in isolation.
- The Government's role is to facilitate sustainable development and fairly adjudicate between the conflicting demands of commerce and the environment.
- Construction of new, and upgrades and maintenance of existing railways, ports, roads and inland waterways must follow sustainable development principles, minimise the use and waste of materials, and promote improvements to quality of life and the natural environment.

Background

The economic performance of the UK depends to a great extent on the movement of goods around the world. Increasingly the UK is outsourcing its production overseas, meaning an increasing volume of goods needs to be imported. UK imports are more valuable and comprise a much higher proportion of finished goods now than 50 years ago.

The economic transition from manufacturing industry to services has led the UK to run a deficit on its merchandise trade balance, with the imports of goods and raw materials exceeding exports. The price that UK consumers and businesses pay for all these goods in shops or over the internet is affected by the cost of the supply chain bringing it to them. Equally, the competitiveness of exports from the UK is affected by the ability of our industries to get their products out to the global market quickly, reliably and, above all, cheaply.³

According to Sir Rod Eddington in his 2006 Transport Study "transport's key economic role is likely to be in supporting the success of the UK's highly productive urban areas in the global market place, and enabling efficient freight distribution...There is clear evidence that a comprehensive and high-performing transport system is an important enabler of sustained economic prosperity: a 5 per cent reduction in travel time for business and freight travel on the roads could generate around £2.5 billion of cost savings – some 0.2 per cent of GDP."⁴

The uncoordinated privatisation of many parts of the UK transport industry has contributed to the lack of a coherent freight policy. In the rest of Europe, where companies have been established to provide or manage transport infrastructure, this has been as part of a strategic plan.

Road Freight

Most imported goods, including food, are trucked from ports by road. However, the UK's roads are experiencing unprecedented levels of congestion, and the lack of reliable and cheaper alternative forms of transport, such as rail and inland waterways, could mean more vans and lorries will be adding to this problem.

Transport for London claims that road congestion costs businesses in and around London £1.6 billion per annum.⁵ Congestion is currently estimated to cost UK businesses between £15-30 billion per year and could double over the next decade.⁶

Currently proposed measures are designed to cope with congestion, not reduce vehicle use per se, or promote modal shift.

More local sourcing could lead to a reduction in distances and environmental impact, less road maintenance and less need for road building. However, it could result in the proliferation of smaller vehicles, and the return to source-to-store deliveries, leading to greater CO2 emissions and congestion. Furthermore, more widespread local sourcing may be impaired by commercial realities, extant consumer preferences, and existing environmental and other legislation. Further research into the virtues of local sourcing might reveal a stronger case for an alternative to current supplies.

Rail Freight

In the last decade rail freight has grown by 66 per cent; in the year 2005-06 rail freight moved 22.11 billion net tonne kilometres. Per tonne carried, rail produces between five and ten times less emissions than road transport⁷, and over the past six years rail freight is estimated to have saved two million tonnes of pollutants, 6.4 billion lorry kilometres and 31.5 million lorry journeys.⁸

Rail freight is a safer method of transporting and distributing freight. In 2004, only five passengers died on the railway whereas 3,221 people died in road accidents during the same period. In 2003 there were 28,864 accidents involving HGVs and LGVs. In the same year, 2,474 pedestrians were hit by HGVs and LGVs, and 1,194 HGV and LGV drivers and passengers were killed or seriously injured.⁹

The current rail network suffers from system bottlenecks, e.g. the need to run freight services from the East Coast ports via London because of the lack of a suitable direct freight link to the Midlands. In its 2006 State of the Nation report,¹⁰ ICE pushed for priority improvements to freight links to the Port of Immingham and Hull Docks. In 2007, work began on the rail freight link, which includes the doubling of one mile of track and the installation of a new signalling system, to increase capacity, and accelerate and smooth the flow of traffic into both port facilities.¹¹ A new freight loop, set to be installed at Stratford, East London, as part of the 2012 Olympics programme, will ease the passage of eastbound freight through the station onto the Great Eastern line.

The network is also multipurpose. The same network is required to carry long-distance, fast, passenger traffic; long-distance freight at slower speeds; intermediate-distance, slower passenger traffic; and commuter traffic for major conurbations. This 'one-size fits all' approach is wasteful, inefficient and incapable of dealing with further freight expansion.

Inducing companies to utilise long-distance rail freight would undoubtedly have wider benefits for society. However, road haulage is still cheaper than rail when transporting freight to from Southern ports to locations south of the Midlands. A new economic environment would need to be created to deliver a significant reduction in rail costs, which could in the long-term result in modal shift from road to rail.

ICE urged the government in its 2006 *State of the Nation* report¹² to think now about the unavoidable capacity issues on the UK's north-south rail routes and commission a detailed study into the feasibility of a high-speed rail link between London and Scotland. As highlighted in the ICE report *The Missing Link*¹³, such a route would free extra capacity for the growing freight market. The study would also need to consider whether enough freight capacity would be provided by removing inter-city traffic from existing routes or whether a dedicated freight route was required.

Water Freight

Sea freight accounts for 95 per cent of UK imports and exports by tonnage. This equates to almost 600 million tonnes a year – totalling goods worth £336 billion¹⁴ – with container traffic increasing at 4% per annum.¹⁵ Sea freight is also an important source of domestic freight movements – getting freight closer to its destination by environmentally friendly means.¹⁶

Forty-nine million tonnes of cargo were moved on the UK's inland waters in 2002¹⁷ and today less than 1% of domestic freight is transported via the inland waterways in England and Wales.¹⁸

All types of waterway have some potential for use by freight transport. Generally the larger waterways with access to ports and the coast will have the greatest potential for carrying significant volumes of freight. Good examples include the Manchester Ship Canal, the waterways linked to the Humber, the Thames and the Sharpness Canal.

In the UK at present, freight waterways are controlled by a mixture of organisations: companies, government bodies, local authorities, port companies and port authorities. The Mersey Docks and the Manchester Ship Canal had been previously under different ownerships, but now they are unified, more work is being carried out to deliver cargo to and from the Mersey Docks using the ship canal to link the producers and customers within the urban conurbations around Manchester.

The UK has been slow in making the most of opportunities provided by the support of the EU for the development of intermodal freight traffic. Germany, for example, has limited use of heavy road vehicles at weekends, leading to a transfer of unutilised freight to waterways. No initiatives involving transfer to water transport have been put in place in this country. The UK still has no national transport policy for freight and the roads lobby dominates government transport thinking. This all leads to more lorry traffic and more roads, while the market share of waterways is in decline.¹⁹

Given the geographic proximity of several major European deep-sea container terminals the UK continues to be vulnerable to competition from these ports, a number of which are subsidised by their national governments. Vessels already destined for Europe will only make a direct UK call if shipping lines consider both port capacity and economics mean that it is beneficial to do so. While British business is no stranger to the costs of road congestion and insufficient rail capacity, for businesses such as ports that depend on their ability to dispatch goods on time, increased congestion could be damaging.

¹ Department for Transport, 2004, *The Future of Transport: a network for 2030*, Her Majesty's Stationery Office, Norwich – <http://www.dft.gov.uk/about/strategy/whitepapers/fofthefutureoftransportwhitepap5710>

² Department for Transport, 2007, *Delivering a Sustainable Railway*, Her Majesty's Stationery Office, Norwich – <http://www.dft.gov.uk/about/strategy/whitepapers/whitepapercm7176/whitepapersustainable railway1>

³ Freight Transport Association, *The UK's International Supply Chain* – <http://www.fta.co.uk/information/international-supply-chain/>

⁴ HM Treasury, 2006, *The Eddington Transport Study*, Her Majesty's Stationery Office, Norwich – <http://www.dft.gov.uk/about/strategy/eddingtonstudy/>

⁵ Transport for London, 2006, *Transport 2025: Transport vision for a growing world city*, Transport for London Group Publishing and Performance, London – <http://www.tfl.gov.uk/assets/downloads/corporate/T2025-new.pdf>

⁶ Road Users Alliance, 2006, *Road File 2006-07*, RAC Foundation – <http://www.racfoundation.org/files/RoadFile2006.pdf>

⁷ Freight on Rail, *Useful Facts and Figures* – <http://www.freightonrail.org.uk/FactsFigures.htm>

⁸ Rail Freight Group, *Environmental Benefits* – <http://www.rfg.org.uk/aboutfreight/environment/>

⁹ Freight on Rail, *DfT Ports Policy consultation – Rail freight's role* – <http://www.freightonrail.org.uk/GuidancePortsStrategy.htm>

¹⁰ Institution of Civil Engineers, 2006, *State of the Nation*, Institution of Civil Engineers, London – <http://www.ice.org.uk/downloads/State%20of%20the%20Nation%20report%202006.pdf>

¹¹ Network Rail, 2007, *Hull Dock Rail Improvements: Work Begins* – <http://www.networkrailmediacentre.co.uk/Content/Detail.asp?ReleaseID=3396&NewsAreaID=2&SearchCategoryID=4>

¹² Institution of Civil Engineers, 2006, *State of the Nation*, Institution of Civil Engineers, London – <http://www.ice.org.uk/downloads/State%20of%20the%20Nation%20report%202006.pdf>

¹³ Institution of Civil Engineers, 2005, *The Missing Link: A report on high-speed rail links in the UK*, Institution of Civil Engineers, London – http://www.ice.org.uk/downloads/missing%20link%20brochure_.pdf

¹⁴ Freight Transport Association, *The UK's International Supply Chain* – <http://www.fta.co.uk/information/international-supply-chain/>

¹⁵ Institution of Civil Engineers, *Specialist Interest Area: Transport* – http://www.ice.org.uk/knowledge/specialist_transport.asp

¹⁶ Freight Transport Association, *The UK's International Supply Chain* – <http://www.fta.co.uk/information/international-supply-chain/>

¹⁷ Sea and Water, *Best Practice Guide: Planning for Freight on Inland Waterways* – <http://www.seaandwater.org/downloads/planningforfreightoniw.pdf>

¹⁸ The Inland Waterways Association, *Waterways Freight Leaflet* – http://www.waterways.org.uk/Library/IWAPositionStatements/main_content/FreightWebVersion.pdf

¹⁹ The Inland Waterways Association, *Waterways Freight* – <http://www.waterways.org.uk/Waterways/WaterwaysFreight-1>