

Transport Delivery Committee

Date	7 February 2022
Report title	Rail Freight Update
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Report has been considered by	n/a

Recommendation(s) for action or decision:

Transport Delivery Committee is recommended to:

- (1) Note the contents of this requested update on Rail Freight

1. Purpose

To respond to a request from Transport Delivery Committee for an update on Rail Freight.

2. Background - Rail Freight in the West Midlands

The wider West Midlands region is vitally important for rail freight. It stretches from the DIRFT complex on the Warwickshire/Northamptonshire border in the east, through the logistics “Golden Triangle” and manufacturing centres of Birmingham and the Black Country towards the former Ironbridge Power Station and the (still lightly used) Telford International Railfreight Park in the west.

The West Midlands Rail Executive area also takes in parts of the core:

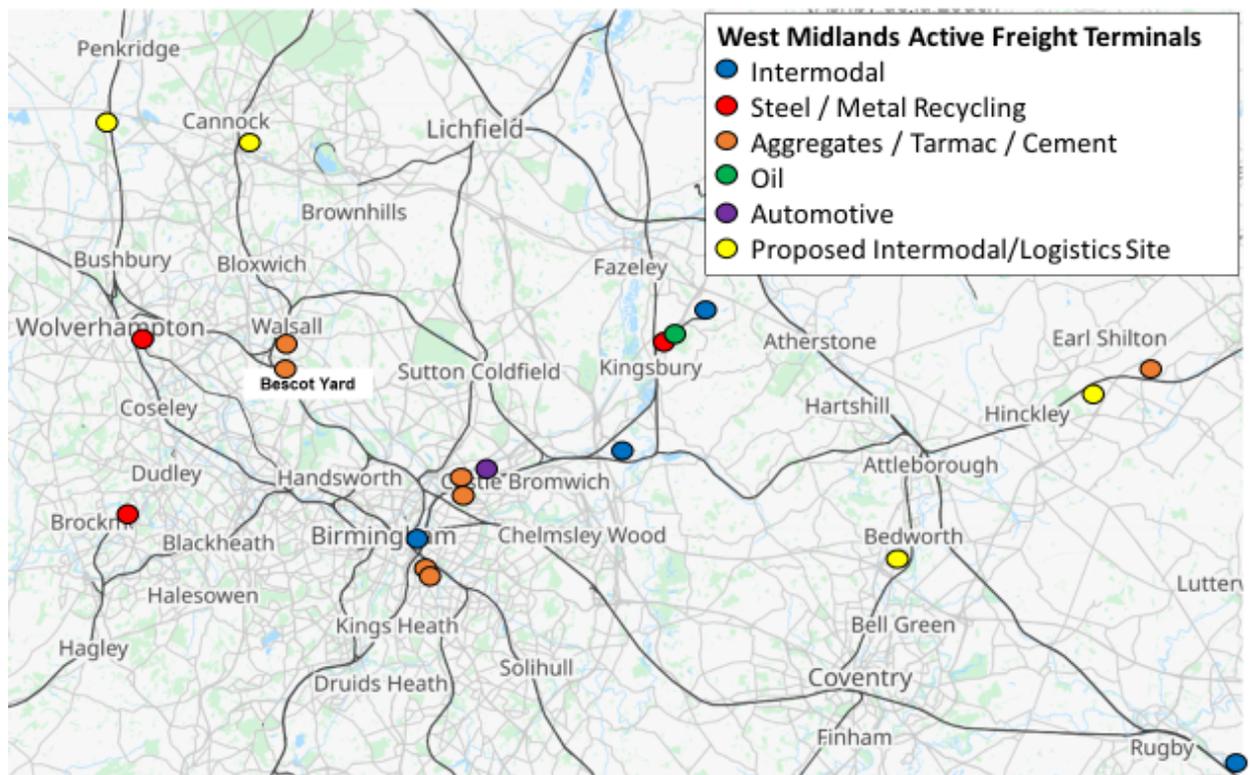
- West Coast Main Line
- Southampton – Midlands
- Felixstowe – Nuneaton – Birmingham

rail corridors which are intensively used by both passenger and freight services to (and through) the West Midlands region.

Rail’s unique ability to shift large volumes of cargo efficiently and in a timely manner has led to a resurgence of rail freight, especially in the container traffic to from the main deep-sea ports and, increasingly, between the principal inland freight terminals.

Rail freight in Great Britain is entirely private sector, with multiple operators each responsible for their own rolling stock competing for traffic and paying Network Rail for track access, based on rates set by the regulator (Office of Rail and Road). The main rail freight operators are: Deutsche Bahn, Freightliner, DRS, GB Railfreight and Colas.

The location and type of principal West Midlands area freight terminals are shown below:



3. Expansion and New Freight Terminals

To support these growth areas there has also been significant and ongoing freight operator and 3rd party investment in new or expanded rail freight terminals.

In the West Midlands, further market-driven changes in rail freight are also evident in the recent expansion of DB's Wolverhampton Steel Terminal, with scope for similar growth in steel traffic in the Round Oak area of Dudley.

To support new construction in central Birmingham, a second aggregates terminal (for Cemex) has recently opened alongside the existing Lafarge terminal at Small Heath, whilst at Washwood Heath two new terminals for Balfour Beatty VINCI (for HS2) and Tarmac have also come on stream since 2020.



First HS2 aggregates train into new Balfour Beatty VINCI terminal 20/05/2020

In the deep sea and domestic container intermodal markets, there has been a recent expansion of capability at both Lawley St Freightliner depot in Birmingham and at the major Daventry International Rail freight Terminal (DIRFT) south of Rugby.



DIRFT – the UK's largest rail connected logistics park near Rugby

Construction of a major new “West Midlands Interchange“ intermodal logistics site at Four Ashes (north of Wolverhampton) is underway and there are long-standing plans to reconnect the Pentaver container terminal to the rail network (note Pentaver and rail freight operator Freightliner are now both owned by Genesee and Wyoming UK).

Another new intermodal terminal is proposed on the Birmingham – Leicester line near Hinckley and further terminal developments would appear to be likely. There is also a proposal to re-open the former Murco Oil depot at Bedworth (north of Coventry) as a general logistics terminal.

4. New Express Logistics Solutions

The recent launch of Rail Operations Group's "Orion" London – Glasgow service for Royal Mail uses repurpose former passenger trains to provide a small-volume rail-based supply chain solution.

This "express parcels" concept was actually something which British Rail successfully operated pre-privatisation, but which had all but disappeared apart from a handful of Royal Mail services. Together with the similar Eversholt "Swift Express" train, this potentially marks the start of what could be a renaissance of rail in the rapidly growing parcels / small consignment logistics sector.

The "Orion" train has been showcased at Hams Hall (Coleshill) and further new operators/customers/routes are set to be announced this year, hopefully including one or more locations in the West Midlands.



Orion (left) and Swift Express (right) use same basic concept of repurposing former passenger trains

WMRE has helped facilitate discussions between Coventry City Council, Avanti West Coast and potential rail express logistics suppliers and operators with a view to organising a demonstration of the concept in the city which would tie in with the city council's plans for sustainable freight distribution within the city centre using cycles and drone technology.

If successful, there could potentially be wider applications for this concept at other centre city stations.

5. Rail Freight and Decarbonisation

The majority of freight trains in Great Britain are powered by diesel, which is largely due to the lack of rail electrification of freight only lines and terminals and the fact that much of the core national rail network used by freight services is also not electrified e.g.

- Southampton to Birmingham/Coventry/Nuneaton
- Felixstowe/Harwich to Nuneaton/Birmingham via Peterborough.
- Birmingham to Derby/Sheffield/Leeds/Doncaster

However, following sharp rises in the price of wholesale electricity in Autumn 2021, one of the private rail freight operators switched their previously electrically hauled trains to cheaper diesel operation in order to maintain rail's competitiveness with road haulage.

It should be noted that even diesel hauled trains produce far fewer emissions than the equivalent 60-75 Heavy Goods Vehicles which would be required to move the same volume of freight by road.

To address the problems of unelectrified branch lines and terminals two rail freight operators have invested in locomotives which can operate with and without electric power.

DRS now have 10 Stadler Class 88 Electro-Diesel locomotives in service which have a small on-board diesel engine.



DRS Class 88 can operate on electric or (at reduced power) on diesel

Rail Operations Group has ordered 10 similar Stadler Class 93 Electro-Diesel-Battery locomotives for delivery from 2023 with options on a further 20. The Class 93 will be able to run at speeds of up to 110mph on electric power and the diesel power unit is specified to be powerful enough for prolonged mainline running, not just 'last mile' operation.

Trials of Hydrotreated Vegetable Oil (HVO) biofuel alternative to diesel have been undertaken recently, but the key disadvantage though is the higher cost of HVO.



DRS Locomotive Testing HVO Biofuel

TDC members have asked about the noise impact of stationary freight trains on local residents. The first port of call with any such complaints should be Network Rail's Customer Contact Centre <https://www.networkrail.co.uk/communities/contact-us/> or can be addressed to the specific rail freight operator, if known.

6. Supporting Rail Freight through West Midlands Grand Railway Collaboration

In order to actively support the continued growth of the rail freight sector, West Midlands Rail Executive has been working with its GRC partners to agree to:

- facilitate closer working across the industry in timetable planning and capacity usage to meet both passenger and freight market requirements
- support enhancements to core rail routes connecting the West Midlands to deep-sea and major inland freight terminals including principal rail corridors to:
 - Southampton
 - Felixstowe/Harwich
 - London Gateway
 - Northern England and Scotland
- support improved access to principal West Midlands rail terminals (especially to Birch Coppice / Kingsbury terminal cluster which has vary constrained access arrangements)
- support the market-driven development / expansion of “Strategic Rail Freight”, intermodal, stone and steel terminals
- support the development and delivery of small-consignment rail borne logistics solutions and, in particular, the use of stations, former passenger trains and secure carriage of parcels on existing passenger services
- maximise the potential for rail infrastructure enhancements by focusing on the benefits to both passenger and freight markets (e.g. Coventry – Nuneaton line speed enhancements and Coventry – Leamington capacity)

Finally, as policy makers and the wider logistics sector get to grips with the scale of challenge of meeting the UK’s carbon reduction targets (and local “Clean Air” initiatives) the GRC will actively champion the further decarbonisation of rail freight across the GRC area through supporting:

- the national prioritisation of in-fill electrification schemes which enable more freight to be electrically hauled for relatively little investment
- full electrification of core diesel operated deep-sea container routes
 - Southampton – Birmingham/Coventry/Nuneaton
 - Felixstowe – Nuneaton
 - Nuneaton – Birmingham
- and electrification of links into principal West Midlands rail freight terminals

7. Financial Implications

There are no financial implications from this update.

8. Legal Implications

There are no legal implications from this update.

9. Equalities Implications

There are no specific equalities implications from this update.

10. Inclusive Growth Implications

There are no specific implications for inclusive growth from this update, other than that modal shift of freight from rail to road would support the Combined Authority's objectives.

11. Geographical Area of Report's Implications

The report focuses on the wider West Midlands regional rail network.

12. Other Implications

None.

13. Schedule of Background Papers