

Meeting: Scrutiny Committee

Subject: Approval of the Freight and Logistics Strategy

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Sponsor: Tim Foster, Interim Strategy and Programme Director

Meeting Date: Thursday 10 March 2022

1. Purpose of the Report:

1.1 The purpose of this report is to update Scrutiny Committee on the recent Freight and Logistics Strategy consultation activity and the subsequent outcomes.

2. Recommendations:

2.1 Scrutiny Committee note the activity to date and make recommendations on the future activity to be considered by Board on 30 March 2022.

3. Main Issues:

- 3.1 Scrutiny Committee considered the TfN Freight and Logistics Strategy and consultation at the September meeting where Tim Foster described the progress to date. There was a discussion around Multi Modal hubs which is now included on the work programme and recommendations within the revised strategy.
- 3.2 TfN held the Freight and Logistics Strategy consultation during January 2022. Arup won the procurement to run and host the consultation materials and tools. The decision was taken to host an online virtual engagement environment, run a series of workshops or 1:1s with interested participants and raise the profile of the consultation through a TfN Talks session.
- 3.3 The online virtual engagement room received contributions from over 200 people. The strategy was split into various sections displayed in virtual pull up banners, posters and electronic devices. Once people had clicked into the section it displayed the relevant content of the strategy. A series of questions were posed to the reader with multiple choice answers and free text options too. There was also the option of downloading the strategy document separately and submitting responses by email. Over 200 people responded via the virtual consultation room and a further 30 by email to TfN Engagement or directly to the consultation team. There were over 500 comments submitted in total. Most respondents engaged by commenting with far fewer answering the direct questions. This has led to the responses to the questions not being fully analysed as in many cases less than 5 people provided responses that way and the results would not be significant enough to draw trends. Where people had answered the questions, they also provided written comments that were taken on board for analysis and review.
- 3.4 The main focus of the responses was overwhelmingly related to decarbonisation. This led to the main refocusing of the recommendations and objectives being driven by the need to decarbonise freight movements and encourage modal shift where appropriate from road to rail. Other contributions focused on the need to carefully consider inland waterway options, port accessibility and resilience, lorry

parking and HGV driver recruitment and retention. These changes have been made to the draft strategy to enhance the content and draw out key, focused priorities. It should be noted that the responses were overwhelmingly positive. Many highlighted the need for such a strategy now and shared pointers around innovative ideas and technologies.

3.5 Many respondents also highlighted the risks and opportunities for freight that were apparent from the publication of the Integrated Rail Plan. Whilst the IRP only included limited freight interventions, there is the opportunity now to deliver enhanced gauge clearance across the Pennines through TransPennine Route Upgrade, allowing the largest containers to use the upgraded TransPennine route as well as passenger services.

3.6 TfN will use the strategy to inform the work leading up to the revision of the Strategic Transport Plan (STP). During the next year policy positions concerning different freight and logistics areas of activity will be developed. These will inform the new plan and highlight the areas where TfN activity can add value or lead work on behalf of others. The areas which will be considered are:

- Air quality impacts arising from emissions from HGVs;
- Impacts of urban delivery on consolidation/distribution centre locations;
- Overnight lorry parking provision;
- Micro-consolidation;
- Green shipping options;
- Freight efficiency and for example use of e-cargo bikes;
- Future uses of infrastructure;
- Express logistics;
- Rail connected warehousing (and multi modal hubs).

3.7 The Freight and Logistics main objectives have been revised after considering the comments received. They focus on making networks more efficient to reduce the time logistics companies experience delays on the road network whilst emitting carbon. They are as follows:

- Reduce the number of incidences of unplanned closures of Major Road Network routes leading to severe journey delay;
- Prioritise measures that tackle journey reliability and congestion;
- Support less polluting and more energy efficient movement of goods on the transport network;
- Maximise the utilisation of rail, inland waterways and local distribution hubs to improve efficiency and support the modal shift of goods from road to rail and water;
- Improve the multi-modal North-South and East-West connectivity across the North;
- Optimise efficient flow of goods on the MRN and railway through improved flow of traffic and supported by technology;
- Maximise the economic development opportunities through a range of areas, including the clean growth opportunity flowing out of freeports, clean industrial clusters and the first mile freight that flows out of ports;
- Support the planning and development of well-connected warehousing and consolidation sites;
- Exploring the benefits of regional freight consolidation and distribution networks;
- Reduce the impact of air pollution from freight movements on the health of local communities;
- Reduce the impact noise from freight movements on the health of local communities;

- Increase electrification of the rail network; and
- Decarbonise road haulage through increased usage of zero carbon and low emission fuels.

3.8 Comments were also received around the Strategy recommendations and they have been revised accordingly. Once agreed by Board, in a similar way to the Decarbonisation Strategy, they will be turned into a work plan and will be the driver of the main freight and logistics work at TfN. This will allow easy and concise updates to be shared with both Scrutiny Committee and TfN Board. The revised recommendations are as follows:

Decarbonisation

1. Ensure the freight dimension is advocated strongly within the Strategic and Economic Cases of the Investment Programme. This work will add value to the decarbonisation of road and rail freight in light of delivering progress of the TfN Decarbonisation Strategy Action Plan. TfN is continuing to improve methods for appraising user and non-user benefits that freight brings to the economy. This includes partner led schemes – adding support where required;
2. To undertake detailed consultation to understand the demand forecasts within the business case for the Trans Pennine Route Upgrade as outlined in the Integrated Rail Plan which includes freight gauge enhancement and that the network capacity for the forecast extra traffic is reserved;
3. To support the developing approach to decarbonising rail freight as outlined in TfN's Decarbonisation Strategy. This includes working with Network Rail, freight operating companies and train operating companies to ensure:
 - a. we understand the need for incremental electrification of freight;
 - b. influence government to fund a core network for electrification (inc. freight paths and the need to electrify node to node (e.g. into ports));
 - c. there is sufficient capacity to allow freight traffic to run directly from origin to destination and with minimum dwell times in loops and on the network, reducing emissions from existing diesel trains; and
 - d. that there is ongoing and successful development of alternative low carbon technology for freight locomotives with support from national government;
4. TfN's Decarbonisation Strategy has a key action to facilitate and develop partnerships to achieve port to port zero-carbon multimodal corridors. We aim to capitalise on two areas: firstly the freeport status of a number of our ports and the tax and customs benefits the status brings to the ports and their hinterlands, secondly, the potential to both produce and use green fuels in these locations for fuel intensive industry clusters but also for the first mile freight that flows out of and into our ports including HGVs, rail and maritime. We will liaise with industry to develop the best model for this with initial discussions with the Northern Ports and existing clean growth partnerships.

Capacity and capability

5. To ensure the Northern Powerhouse Rail programme supports the existing freight traffic and enhances capacity and capability for existing freight and freight growth. This should focus on those route sections where capacity is likely to be constrained which includes the West Coast Mainline north of

Golborne, Midland Mainline through Sheffield area, East Coast mainline 2 track section via Durham and the routes across Manchester. Additionally, it should include areas of opportunity. This may require the development of alternative freight priority routes which would need to be examined closely with industry once the Northern Powerhouse Rail routes are agreed to ensure existing rights remain unaffected

6. Underpinned by detailed analysis from the TAME activity, develop a suite of policy related interventions relating to air quality, impacts of urban delivery on consolidation/distribution centre locations, overnight lorry parking provision, detailed understanding of road freight movements including vans, heavy and light good vehicles and Smart Motorways, micro-consolidation, green shipping options, multimodal hubs, freight efficiency and use of e-cargo bikes and future uses of infrastructure. This will support and further the Northern element of the DfT's Future of Freight work.

Multi-modal connected warehousing

7. To develop policy levers that support the development of new freight warehouse location clusters in the North. Particularly,
 - a. where there is more detailed forecasting of the warehousing market across all modes showing opportunity for the North;
 - b. where such terminals are rail connected; and
 - c. where such terminals are not on the same rail line as Trafford Park or existing rail terminals to increase the opportunity for modal shift from road haulage to rail
 - d. where land use conflicts exist, such as availability of lorry parking and rest facilities, work with national and local partners to mitigate this through the planning and delivery of such facilities and the provision of appropriate refuelling networks as required to meet net zero carbon;
8. Develop plans for recommended locations for rail connected warehousing working alongside partners and their emerging timescales for Local Plans with particular recognition of any changes to the planning regime soon to be implemented

National activity

9. Work across the TAME and Strategy Teams at TfN with the Department for Transport in developing the Data Discovery project. This will encourage data democratisation which will lead onto increased levels of freight efficiency, reduced emissions and will enable partners to access more freight data that will strengthen and enhance business cases that include a freight and logistics element.
10. Remain actively engaged in using and analysing emerging evidence of the effects of Brexit, Covid 19 and other recent economic shocks. Understand and communicate how this affects the movements of freight on an East-West and North-South basis, how demand for and access to ports changes and potential change in uses of freight terminals including distribution centres. This should then be utilised in business case development and the refreshed TfN Strategic Transport Plan.

3.9 In conclusion, the consultation process was successful with good levels of both interest and engagement. TfN will present the final draft of the strategy to TfN Board on 30 March 2022 for consideration and approval.

4. Corporate Considerations

4.1 *Financial Implications*

There are no direct financial implications arising from this report.

4.2 *Resource Implications*

The resources required to deliver the work plan which will follow the approval of the strategy will be worked through and considered as part of business and resource planning for FY2022/23.

4.3 *Legal Implications*

There are no apparent new legal implications arising from this report.

4.4 *Risk Management and Key Issues*

There are no risk implications arising from this report and thus a risk assessment is not required.

4.5 *Environmental Implications*

This report does not constitute or influence a plan or programme which sets the framework for future development consents of projects listed in the EIA Directive and therefore does not stimulate the need for SEA or EIA. Environmental impacts have been considered within the strategy itself and any proposed infrastructure developments related to freight will be subject to screening for the need for EIA by the relevant development authority as part of the design development and consenting process.

Shifting road freight to rail, increasing road freight efficiency and decarbonising HGVs are all essential to achieving our decarbonisation objectives within TfN's Decarbonisation Strategy.

4.6 *Equality and Diversity*

Not required.

4.7 *Consultations*

A consultation was undertaken in January 2022 and the results included in the paper.

5. Background Papers

5.1 September 2021 Scrutiny Report

6. Appendices

6.1 Draft post consultation version: Transport for the North Freight and Logistics Strategy February 2022