

## **North East Freight Partnership - Rail Partner Group**

**Date Held** 17<sup>th</sup> May 2016

**Venue** Blyth Workspace

### **List of Attendees and Organisation**

John Bourn (Chair)	North East Combined Authority
Paul Davison	AECOM
Walter Cartwright	DB Schenker
Peter Ollivere	Durham County Council
Keith Taylor	Northumberland County Council
Eddie Peat	Harworth Estates
Martin Murphy	NECTAR
Andrew Carmichael	SENUG
Geoff Clarke	Aecom
Derek Gittins	Nexus
Peter Walker	Railfuture North East
Anthony Walker	Railfuture North East
Kim Farrage	North East Combined Authority

### **Apologies**

Dave Bargh	Co-Op
Edward Dunn	Network Rail
Jonathan Bell	Network Rail
Malcolm Bingham	FTA

### **Agenda Item 2: Minutes of last meeting**

The Group accepted the minutes as a true reflection of the last meeting

### **Agenda Item 3 East Cost Route Study Update**

It was stated that a representative from Network Rail had been invited to attend the meeting, however was unavailable so they have supplied some slides on progress to date. The NERNS and the ECRS studies have been amalgamated. The slides were more passenger focused in nature but did have an indirect benefit to rail freight.

The ECRS study is looking at the whole route between London and Scotland. Due to the study being more complex, it is slightly less developed than the NERNS. Currently, demand studies are being completed; the next stage of the process will be to identify options.

In relation to the NERNS, this study is more about local passenger lines. This study was started in 2014/15 and is in advanced stage with a draft report being awaited which will form part of a wider north of England report.

It was advised that, in regard to the ECML, there are a lot of existing services plus Intercity Express and potential HS2 will see increased demand on the line. Furthermore, there are capacity issues on the Tyne Valley line with the route from Hexham to Newcastle being over capacity in CP6.

North of York investment is critical, however investment needs to be determined and whether it offers value for money. From Doncaster to York the line is close to capacity which will be exacerbated by HS2 and additional services which are called for by HS2 joining the ECML south of Colton.

There are also issues at Newcastle central station as platform 9 and 12 are at capacity. There tends to be clusters of trains then rather a lot of gaps which often causes bottlenecks on the train paths. There needs to be new signalling and high levels of investment in the infrastructure.

Regarding the ECML, a strategic approach has been defined which includes

- Dedicated fast and slow lines
- Build additional routes to separate flows
- Use technology to reduce headway
- Develop safer resilient infrastructure

Funding of enhancements needs to be agreed which would be funding post 2019. There are some people who are nervous about CP6 as funding may be retained for day to day renewals.

It was advised that potential projects in CP6 may include the Doncaster to Leeds corridor as it will be at capacity by 2023, new east side platforms at Darlington Station and remodelling of platforms 11 and 12 at Newcastle Central Station.

It was queried what was happening in Europe; it was stated that it is rather a mixed bag but on the whole there is a lot more foresight and generally a lot more investment. Rail freight in this country is growing, however HS2 could potentially bring problems as it will add further pressure to the network. CP5 was deemed a failure as it tried to do too much in a very short timescale.

It was stated that anything north of Northallerton is a big issue as there a lot of restrictions. Furthermore there are often restrictions associated with customers as often they want deliveries when Network Rail cannot offer a path.

The current thinking on the Leamside line was queried and it was pointed out that addressing capacity on this section of route is very important to Northern Powerhouse Rail – it may not be possible to deliver improvements without Leamside being higher up on the agenda.

#### **Agenda Item 4: Rail Week update**

A presentation was given on Rail Week which is to be hosted by Newrail, the University of Newcastle's dedicated railway research centre, between 26<sup>th</sup> June and 3<sup>rd</sup> July. It is a UK wide event designed to promote railway careers.

The purpose of this event is to promote the image of the railways especially to the younger population. It was advised that the average age of a worker in the railway industry is 45-48 and it is suggested that there will be a massive gap in engineering skills within the next 10 years.

It was noted that, as the Rail College at Gateshead continues to progress, it is hoped that those deciding to study and pursue a profession in the rail industry will increase.

#### **Agenda Item 5: Freight Interchange, Forrest Park, Newton Aycliffe**

Peter Ollivere from Durham gave an update on a proposed SRFI at Forrest Park. It was advised that Durham are keen on the site. There are currently no inland SRFI's in the North East. It is hoped that the development of this site will provide 1000's jobs and help the freight economy. Therefore, Durham are keen to push this site.

Durham have set up a company and have secured the land. The Council own 51% of the

company and a board has been set up to grant approval. £13 million has been identified for investment from the Local Growth Fund which will include £3 million for highways and £10 million plus for utilities. A firm date is still to be determined for implementation.

It was stated that marketing will be commencing soon to gauge demand and support for the development. The site will be marketed as a SRFI and the business plan for the site is currently being written.

The next Rail Freight Group meeting is at Hitachi in November so will hopefully know more by then and be able to give a progress update including the results from a feasibility study which is currently being undertaken.

It was queried whether this site is discussed in the TfN freight strategy. It was advised that all parties are being kept up to speed with the development of this SRFI. It should align with the freight strategy well as there is a lack of inland freight interchanges in the NE.

### **Agenda Item 6: DB Schenker Update**

It was advised by WC that in the last 6 months things had started to stabilise. Coal volumes and its associated activity would never return.

Jarrow Oil Terminal has reopened so there is potential for growth there. At the moment, there is one train per week. It was stated that there are some pathing issues on the Royal Mail trips to Scotland.

There are over 100k VW cars per year which are delivered by road freight- there is a need to understand what is going to Scotland by this method. It was also noted that the Port of Sunderland is close to restart running and DB Schenker have delivered scrap material on behalf of the Ward Bros to Celsa Steel UK in Cardiff. This is the first train to leave Port of Sunderland since its rail link re-opened in 2014.

The question was asked whether or not businesses trust rail freight compared to road? It was stated that performance is key and their current punctuality rate is 95% and regularly sees 100% performance. DB are currently working with Network Rail on freight paths as sometimes routes are not utilised to the best effect. There is a need to get confidence in the market.

It was noted that timekeeping is an interesting topic as road freight also has issues relating to reliability too.

### **Agenda Item 7: Update on the National Rail Freight sector**

Geoff Clarke from Aecom gave a presentation on the rail freight sector from a national perspective. It was stated that the government's rail and carbon teams are looking at a rail freight strategy. Rail freight is much better for the environment than road in terms of fuel.

On the 10<sup>th</sup> May there was a 4 hour period when no electrical power was generated in the UK using coal, for the first time since 1882. Furthermore, national figures have suggested that there has been a massive drop in demand for moving coal – this is about 5-6 years earlier than anticipated which has proved to be a challenge for some companies.

Power stations have a limited life which will be a genuine game changer. 100 million tonnes of freight are moved each year and 60% of the goods being carried by rail was coal traffic.

The metal industry has more or less settled and there is potentially opportunities for more movement of scrap metal.

With regard to the Channel Tunnel, 2015 was an extremely challenging year with the

ongoing crisis with migrants and the rail freight industry was hit even harder. A lot is being spent on security - traffic is starting to build again and there are good prospects.

The construction industry is growing a lot more strongly than anticipated, and this is likely to continue. The oil and petroleum industry is more or less flatlining primarily due to the uncertainty in oil prices.

Intermodal continues to develop; for example, at Felixstowe, the biggest container port in the UK, in 2016 31 intermodal trains are leaving the port per day which could increase to 40. The average train length is 28 platforms and the average utilisation is 83%. The mode share is 27%, with an aspiration to increase and go beyond 30%.

There is still a long way to go compared to Europe. For instance, in Hamburg 200 train paths are utilised per day which is 41% modal share; in Bremen/Bremerhaven their modal share is 47%.

In Europe as a whole, 30% of long distance freight is delivered through rail or waterways. In addition, vessels are getting larger.

The question was posed how rail can capture a bigger share; it was stated that there is a need for SRFI's, in particularly there is a shortage of SRFIs on the ECML. 3 are being planned in the East Midlands.

It was stated that increases to fuel duty and track access charges since start of CP4 have caused the cost of rail to increase faster than road. To alleviate this, there needs to be greater flexibility.

- Including a 7 day per week operation
- More tolerant of flexible volumes- to top up volumes and fill gaps
- Better range of locations
- Better resilience to disturbances
- Re-opening of the Leamside line
- Rebuilding of Colne-Skipton
- More and more sensible freight paths

## **Agenda Item 7: Cross-Boundary Issues and Challenges**

### Transport for the North

The TfN freight strategy focuses strongly on the rail elements. Mott McDonald and MDS Transmodal are leading on the study. AG Barr and Port of Tyne are representatives on the private business reference Group.

The main results from the study include that the north "punches above its weight" in terms of freight volumes and capacity issues are a barrier. Forecast demand studies indicate that the 'do minimum' scenario would mean that the rail freight industry would decline and road freight would increase.

The strategy objectives are to deliver road and rail infrastructure capacity that enables forecast demand to be realised, to deliver at least 50 hectares of rail and water connected distribution parks and deliver £17 billion of efficiency gains for the UK economy through the freight and logistics sector.

Key measures that will assist in delivering the strategy's objectives include:

- Promotion of shipping routes to Northern Ports
- Build out of Chained Multimodal Distribution Parks
- Rail Network Upgrades

The next steps include area action plans that are being developed. The successful delivery of the strategy hinges on keeping momentum with stakeholders, TfN continuing to work with local and national government and further economic analysis.

The freight strategy will be formally launched next month which will then result in the outline action plan being produced. It was advised that there are a lot of synergies with the wider TfN Rail strategy.

### Northern Powerhouse Rail

Derek Gittins gave a presentation on TfN rail. It was advised that the strategy is primarily focusing on passenger rail. However the workstreams will come back together to look at the network as a whole. The main conditional outputs include:

- Reduced journey times between cities
- Increased capacity to cater for economic growth forecasts
- Minimum city to city connectivity frequencies

In the NECA, one of our main ambitions is to have 4 additional trains per hour cutting the journey time between Newcastle to Leeds from 90 minutes to 60 minutes and providing 100% to 130% capacity increase.

It was stated that HS2 is part of the TfN working group as HS2 trains would mean doubling of traffic on rail paths. The main rail issues experienced in the NECA area include:

- Quantum of trains proposed on existing lines difficult (expensive) to achieve (including freight)
- Removal of constraints / new lines / significant cut offs / upgrade Leamside
- Station capacities
- Cost – vs – Benefits of calling at other centres of economic significance

The milestones of the rail programme consist of:

- Aim to sift options to provide a small number of viable alternatives on each corridor for high level model testing / engineering feasibility / costing.
- Agreed methodology of comparing corridor options and ranking them.
- Agreed methodology for sequencing between corridors.
- East Coast route study to publish for consultation in December

It was stated that the amount of upgraded infrastructure that is needed is substantial and, in the discussion, it was queried if central government appreciated the amount of capital investment that will be needed.

### **Agenda Item 8:Northumberland Rail Update**

#### Ashington, Blyth and Tyne line

Keith Taylor from Northumberland advised that there had been limited progress since the last rail meeting. GRIP2 studies have been completed and a draft report is due at the end of the month. This report will then go through the Council's Cabinet for approval to commence with the GRIP3 stage, with works commencing in the Summer.

Timetable options include a 30 minute service all day or 30 minutes in the peak and hourly for the rest of the day. An extension to Woodhorn is still in scope.

The demand and revenue forecasting work has been updated to reflect the Council's Core

Strategy.

The ABT scheme is part of the devolution deal ask as well as the TfN interconnectivity scheme.

With regard to funding, a meeting has been scheduled to meet with the new franchisee Arriva.

#### Harworth Estates update

Eddie Peat gave an update on Harworth Estates and stated that, in relation to Wardley, there are ongoing discussions with South Tyneside and Sunderland regarding the IAMP. It was also noted that South Tyneside are undergoing a strategic land review.

The estate has 150 acres on the Leamside line with 40 acres being usable with a live rail connection. The planning challenge can be developed within the planning strategy. Materials could be used for the Testo's Junction highways scheme which is making good progress and looks positive.

It was also noted that the estate have approached Nissan to see if there are any synergies to help their ambition for rail freight. The Wardley area should be an actual development site in the next 20 years.

With regard to Widdrington, it was advised that Network Rail do not wish the connection to be maintained which is a setback for the site.

The Butterwell site which is close to Widdrington is in the draft Core Strategy as a coal dispatch site. There is still a market for coal which will need to be moved by rail.

It was stated that a planning application has been submitted for approximately 50-60 acres of the site to be used as a coal depot.

Alcan smelter is no longer a coal site, however there is still a rail connection. A development plan is underway which will see some of the buildings being reused as well as a large volume of new development. All this is based on rail connectivity.

#### **Agenda Item 9: Any Other Business**

No AOB was identified

#### **Agenda Item 10: Date and Venue of Next Meeting**

15<sup>th</sup> November 2016 at Hitachi Rail, Newton Aycliffe