

HS2: THE REPERCUSSIONS FOR RAIL FREIGHT TRAFFIC

The announcement by Prime Minister Rishi Sunak that HS2 will not be built north of Birmingham created much discussion – with voices both for and against the Government’s decision. However, most commentators focused on the implications for passengers and regional economies, and not many considered the effect on rail freight traffic, says Maggie Simpson, Director General, Rail Freight Group.



Sunak described how the scheme no longer met the needs of the country, and proposed a string of alternative transport schemes that will be pursued in its place. However, and most critically, he also stated that HS2 trains would still serve Manchester, Liverpool and Scotland from Euston, running on the conventional network north of Birmingham. Although the details are far from clear, the prospect of new HS2 trains on the congested section through the Trent Valley and on the routes to Manchester raises real concerns over future freight capacity and the ability to grow freight.

For those of us in the rail freight community, the promise of HS2 was not so much about faster journeys but more about increased capacity. Moving passenger trains onto the HS2 infrastructure would free up paths on the West Coast Main Line (WCML) – paths which could then be used by freight trains. The government has

recognised that moving freight from road to rail is an important strategy in meeting Net Zero targets, but this decision has made growing rail freight volumes much more difficult.

There is also the issue of investments already made in anticipation of the new capacity that was due to be released by HS2. All along the WCML new rail freight terminals and strategic rail freight interchanges are being created, and the freight operators have been investing in rolling stock, facilities and systems to support those.

This is private sector money, often backed by overseas boardrooms, bringing much needed inward investment to the UK. Those investors now face the real prospect of stranded assets if a way forward on capacity cannot be found, which will dampen their appetite for future investment, and risks the UK looking like a poor place to do business. So, government needs to take urgent

action to restore investor confidence and rebuilt trust in its transport strategies.

More positively, government has published a list of schemes which it intends to deliver from the savings on HS2. The majority of these are not rail schemes, with potholes, buses and trams receiving substantial funding, but the inclusion of Ely and Haughley Junction upgrades is welcome news. These schemes are critical for new freight flows from Felixstowe and also from north Thameside, and the project has been high up the list for delivery for some time.

Yet whilst we are delighted to see these schemes included, the new trains which can benefit from this work are likely to have destinations in the Midlands, north west and Scotland and may well rely on WCML capacity to do so.

There are of course choices over the balance between HS2 and other passenger services, but even with the bare minimum levels, freight capacity would likely still be implicated. So, Network Rail and government need to urgently work to understand the timetable outcome of these choices and see how HS2 might be accommodated without detriment to other users of the network, or alternatively what upgrades will be necessary.

As the Prime Minister noted, governments have to make tough decisions when situations change, and this was no doubt a tough choice. Yet governments also have a responsibility to deal with the consequences of those choices in a way which is fair and equitable. This must be the focus of action now.

For more information, please visit:
<https://rfg.org.uk/>



The HS2 Washwood Heath Depot under construction in Birmingham



KEEPING RAIL FREIGHT ON TRACK FOR GROWTH

If the rail freight sector wants to create an environment that enables growth, the trend for 2024 onwards must focus on investment, transparency, and collaboration, argues 3Squared's Jason Durk.

The future of rail freight holds huge potential, underpinned by its vital role in contributing £2.45bn to the UK economy each year, and touching every part of the economy daily.

Rail freight's environmental benefits carry equal significance. In an era where decarbonisation takes centre stage in the political landscape, modal shift could provide a vital pathway to curbing carbon emissions within supply chains.

However, it's important to acknowledge that rail freight grapples with a distinct set of challenges - notably the industry's deeply ingrained operational practices and traditional systems, which have created barriers in terms of efficiencies and customer service mentality.

So, if the challenges are deeply rooted, how can the freight industry transform its operations, while seizing emerging

opportunities? 3Squared delved more deeply into these topics in its recently released *'The Future of Freight, Unlocking Potential to Transform Freight Operations'* white paper, which includes valuable insights from freight customers and expert spokespeople from across the field. Some key findings from the piece are outlined below.

Better access to data

In producing the white paper, 3Squared engaged in conversations with numerous freight industry stakeholders. A prevailing sentiment that emerged was that rail freight was deemed as slow and inflexible, especially when compared to road transport, which was seen as more dynamic.

The white paper highlighted how having access to relevant data can play a pivotal role in driving innovation across the freight sector. Data empowers better decisions, and visibility of the right



data across multiple touchpoints enables decisions to be made more quickly.

An illustrative case in point is the seamless tracking of a customer's container all the way from China, which can then be tracked on a truck - if transported by road - but if it transfers to the railway, it falls into a black hole.

Relevant and up-to-date data in the rail freight space is hard to come by, and this perpetuates the view that the railway is slow and inflexible. Having better access to data and increased availability of open data platforms could help to overcome this ongoing challenge.

The road versus rail dilemma

The logistics sector is acutely aware of the positive

environmental impacts that modal shift can provide right across the supply chain; the green credentials of rail over road are widely acknowledged and discussed in many circles. However, the dichotomy exists in terms of how you trade off those positive benefits versus taking business away from the road hauliers.

The government's decision to cancel the northern leg of the HS2 route also complicates efforts to reduce road haulier dependency. It's evident that government intervention is essential to better facilitate modal shift. But at the same time, the logistics industry needs a joined-up plan that enables customers to benefit from the positives of rail without adversely impacting the profitability of road hauliers. This equal playing field could be achieved through collaboration, planning and utilisation. For instance, through better rail-connected locations, using rail for the main part of the journey and road for the first and last mile, and having a customer solution that plans this automatically.

This approach would help to reduce HGVs from our strategic road network, while concurrently delivering the environmental benefits of rail. As environmentally friendly transport becomes more prevalent, this should naturally accelerate the progress towards achieving Net Zero.

Cross-industry collaboration is urgently needed.

The white paper highlighted that typically, each part of the freight

supply chain has access to their company's data and has solutions to their individual problems.

However, it also underscored a crucial challenge: many companies within the supply chain lack visibility to one another's data, problems, or solutions.

Through collaboration and mutual sharing of problems, ideas and potential solutions, a more cohesive interoperable system can be developed to elevate the collective capabilities of the supply chain. By joining forces and collaborating effectively, rail freight can start to innovate in ways it didn't think possible.

More freight, greener freight, and more technology-enabled freight

As Rail Freight Group's Maggie Simpson eloquently explains in the white paper, there are essentially three pillars when it comes to the future of freight: more freight, greener freight, and more technology-enabled freight.

There has been significant investment in the railway to better accommodate rail freight in recent years, and to help the drive to Net Zero - the Solent to Midlands multimodal freight strategy is just one programme of works by Network Rail to relieve congestion caused by HGVs on the A34 corridor.

This led to Solent Stevedores and the Associated British Ports investing in new infrastructure at Southampton Western Docks to enable growth.

There has been investment into greener locomotives and bi-mode and tri-mode rolling stock. The

development of more innovative ways for transferring freight onto the railway, eg. using old passenger services for on-demand parcel freight, are all contributing to greener freight. While these investments are fantastic, and contribute greatly to the drive for modal shift, they are only a part of the solution.

3Squared's work on PathPlanner - a digital tool which uncovers hidden freight paths - involved extensive stakeholder engagement. 3Squared held discussions with dozens of players spanning the entire supply chain.

While they all grappled with their own varied problems, they also shared the common view that network capacity is at a premium, the planning process is complicated and slow, and that data and information is not readily available.

All these factors contribute to the perception that the railway is inflexible, and this perceived inflexibility is adding to the opinion that it's difficult to compete with road.

So, to build on those three pillars and turn this viewpoint around, we need to operate in an environment which enables growth across all of freight's key areas.

For this to happen, the trend for 2024 onwards must be one that focuses on investment, transparency, and collaboration.

For further insights into the future of freight and to download the free white paper, visit: www.3squared.com/how-we-help/freight-operators

