
Report to: Transport and Infrastructure Scrutiny Committee

Date: 9 March 2023

Subject: **Freight: Rail and Waterways**

Director: Dave Haskins, Transport Policy and Delivery (Interim)

Author: Clare Linton, Policy Officer (Transport)
Chris Moses, CityConnect Programme Co-ordinator

1. Purpose of this report

- 1.1 This report seeks to inform the committee of Combined Authority activity in respect of rail and waterways freight, arising from previous questions raised by Scrutiny Committee members.

2. Information

The Combined Authority's work on freight so far:

- 2.1 As part of WYCA's Rail Strategy there has been an ongoing focus on rail freight. This includes a study commissioned to look at freight movements in the region and the potential for modal shift to rail. The forthcoming rail strategy, which will sit beneath Local Transport Plan 4, will set out the potential for rail freight modal shift in West Yorkshire.
- 2.2 Officers have been active participants in the Transport for the North Freight and Logistics Working Group over recent years, to input into the work taking place at a pan-Northern level, including feeding into TfN's Freight and Logistics Strategy.
- 2.3 Initial scoping work is underway for our freight policy work, which will lead to a daughter document of the new local transport plan (LTP4) and will help support the delivery of the WY Climate and Environment Plan. This was taken to Transport Task Group in December 2022. The paper summarised how the strategy will help to accelerate decarbonisation of the freight and logistics sectors in West Yorkshire, alongside our work on hydrogen. Opportunities for last mile innovation and active travel for freight will also be explored as part of the Shared Transport and Active Travel Strategies. There will likely be a greater consideration and analysis of freight in the new LTP, particularly with the expected focus on quantified carbon reductions.

Challenges moving freight to rail and water

2.4 There are a number of challenges associated with moving more freight to rail and water. These include, but are not limited to:

- Making the economic case and attracting funding
- For rail – capacity on the lines
- Site identification for freight interchange – for both rail and water
- Road freight costs are lower (road freight doesn't pay for all the negative externalities associated with it (carbon emissions, air pollution, road safety, road maintenance etc.))
- Capability of waterway infrastructure (locks etc...) to deal with proposed volumes of freight to be transported (and to handle year on year increases)
- Interest from freight operators

How much freight is there in the region and what are the main routes?

2.5 **Data taken from the Freight Study Baseline report – conducted for the Rail Strategy:**

2.6 Data was produced in 2017 for the Leeds City Region and 10 districts which used commodity codes and industrial floorspace to estimate the volume of international imports and exports in tonnes. The estimates suggested that in 2015 some 2.8 million tonnes of exports (1.1m tonnes being mainly manufactured goods) and 7.3 million tonnes of imports (1.4m tonnes in food and live animals, 1.8m in crude materials excluding fuel and 2.1m tonnes in manufactured goods) were made.

2.7 The wider Yorkshire & Humberside region is home to 5.5 million people, some 8.5% of the population of the UK, but generates 157 million tonnes of freight on road haulage, around 11% of the UK total, traffic. and 65 million sq ft of warehousing, 15% of total floorspace in England.

2.8 A report by MDST suggested that the WYCA (Leeds City Region) accounted for 130 million tonnes of freight lifted in 2014, of which 44 million tonnes (33%) stayed within the region, the balance being to and from the rest of the Yorkshire & Humberside region (22%) and the rest of GB (45%).

2.9 Rail freight traffic data was obtained for a week in March 2022 across all the rail routes crossing to and from the WYCA area. 106 loaded trains operated to and from the WYCA area accounted for an estimated 81,000 tonnes of freight, the equivalent of 3,799 articulated HGV loads and associated trips, the latter will be higher when taking account of additional empty trips prior to collection of the load and following its delivery (around 30% of HGV mileage involves empty running). The image below shows the key rail freight routes in West Yorkshire:

Figure 3 Rail freight traffic density, loaded trains per day



Background to Leeds Inland Port scheme and why it was cancelled – and if there is a possibility of continuing it, or other work on use of waterways to manage freight?

- 2.10 The Leeds Inland Port scheme was originally proposed by the Canal and River Trust (CRT) in early 2018. It was intended that the scheme would deliver a new wharf facility at Stourton in Leeds to enable the transportation of non-perishable freight such as aggregates, timber, oil and steel from the Humber estuary into Leeds to support construction projects in and around the city centre such as Leeds South Bank regeneration and High Speed 2.
- 2.11 The outputs, benefits and inclusive growth implications for the scheme at that point were set out as:
- One new freight facility for the city of Leeds that would move 200,000 tonnes of freight from road to water after year one, resulting in reduced road congestion
 - Reduce carbon emissions from road vehicles by 100 tonnes by the end of year three resulting in improved air quality for the Leeds City Region
 - Create up to 16 jobs, safeguard three jobs, and assist 25 businesses, thereby supporting economic growth in the region
- 2.12 The total project delivery costs were estimated at £3.37 million of which the West Yorkshire Combined Authority contribution was proposed to be £3.17 million (94% of total project costs) with £200,000 match funding from CRT.

- 2.13 The project had a strong fit with the Strategic Economic Plan (SEP) and Transport Strategy and would deliver against SEP priorities 1, 2, 3, and 4 to grow business, create better jobs and deliver infrastructure for growth.
- 2.14 Approval was given at West Yorkshire Combined Authority in June 2018 for:
- Work to commence on activity 3 (outline business case)
 - An indicative approval to the Combined Authority's contribution of £3.17 million, to be funded through over-programming against the Local Growth Fund
- 2.15 During its development the scheme encountered problems/issues which ultimately resulted in funding for the scheme being withdrawn in late 2022. These included:
- The scheme proposal had changed markedly from what was originally set out in the draft Full Business Case. The latest proposal was for a concrete batching plant which would require materials to be brought in by water and, crucially, by road as opposed to all being by water as was the aspiration. This could have had detrimental carbon impacts and potentially would not align with the Combined Authority's Strategic Objectives.
 - As stated above, the indicative approval had a contribution from the CA of £3.17m from the Transport Fund, with a total project value of £3.37m, with the CRT meeting the £200k balance. The CRT confirmed latest costs for the proposed scheme at £4.35m. This remains greater than the original grant value of £3.17m, and with no other funding streams identified, a funding shortfall of around £1m remained.
- 2.16 At the time of scheme/funding withdrawal, planning approval had not been granted.
- 2.17 All development activity has been funded by CRT who still believe that an Inland Port in Leeds is feasible and would benefit the area and the freight industry. CRT continue to develop the scheme seeking alternative funding sources and are in ongoing dialogue with Leeds City Council planning department and industry colleagues/stakeholders.
- 2.18 The Leeds Inland Port project was considered as part of the inflation review which took place in December 2022. Working together with CRT, it was decided that this project would be pipelined for alternative funding . During this time, CRT will also take the opportunity to review the scope and financial options for the project for the future.
- 2.19 Information on the inflation review, which was approved at CA committee in December 2022, can be found here ([Public Pack](#))[Agenda Document for Transport Committee, 14/12/2022 14:00 \(modern.gov.co.uk\)](#)

3. Tackling the Climate Emergency Implications

3.1 There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1 There are no inclusive growth implications directly arising from this report.

5. Financial Implications

5.1 There are no financial implications directly arising from this report.

6. Legal Implications

6.1 There are no legal implications directly arising from this report.

7. Staffing Implications

7.1 There are no staffing implications directly arising from this report.

8. External Consultees

8.1 No external consultations have been undertaken.

9. Recommendations

9.1 That the committee notes the report and provides any feedback and comments.

10. Background Documents

None.

11. Appendices

None.