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Rail Terminal Connectivity Statement – Technical Addendum

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1. INTRODUCTION

1. In November 2021, MDS Transmodal (MDST) prepared a *Rail Terminal Connectivity Statement* (ref: 220053r_rail_final) relating to proposals for a new strategic industrial/warehouse-led business park on land to the north-east of Junction 10 of the M42 motorway, North Warwickshire (land NE J10 M42). Up to 100,000 square metres of new high-bay logistics and industrial floor space is proposed for the site, with ancillary office space, a site Hub Office and a 150 space overnight lorry park facility. The Statement demonstrated that, due to its close proximity to *Birch Coppice Business Park*, the proposed warehouse development can in practice be classified as rail-served. Occupiers will be able to access *Birmingham Intermodal Freight Terminal (BIFT)*, the rail terminal at Birch Coppice, on the same basis as those currently located within the business park. In particular, the Statement demonstrated:

- The financial benefits that accrue to shippers and occupiers due to being located at a rail-served warehouse (compared with one set away from a rail terminal / non rail-served). This included both lower terminal-warehouse transfer costs and when moving loads over medium and long distances; and
- The wider societal benefits that are generated through modal shift to rail (derived from the afore-mentioned financial benefits of using rail).

2. This Technical Addendum has been prepared to provide an update on a number of key issues which have arisen since the presentation of the Rail Terminal Connectivity Statement. In particular, it addresses a number of the conclusions presented in Coventry and Warwickshire's *Housing and Economic Development Needs Assessment (HEDNA)*, which was published in November 2022, and the Government's Future of Freight report, also published in 2022.

2. HEDNA

3. Coventry City Council and the planning authorities across Warwickshire commissioned a *HEDNA* in 2021. The purpose of the HEDNA was to consider future land requirements for housing and employment, including the logistics sector. The outputs from the HEDNA, which was published in November 2022, will inform the preparations of Local Plans in each authority.

4. Preparation of the HEDNA was contracted to economics consultancy *Iceni Projects*, who directed the research work along with writing and editing the main published report document. MDST were sub-contracted by Iceni to produce a land-use forecast for large-scale logistics warehousing (B8) to 2050 which subsequently informed the HEDNA outputs.

5. By way of a summary background, the forecasting methodology adopted by MDST has been utilised on a number of similar studies, including for the Leicester and Leicestershire planning authorities in 2014 and 2020. It takes into account the continual requirement to build new large-scale warehousing as a replacement for existing capacity which over time becomes functionally and/or physically obsolete (replacement build), alongside the need for additional floor space in order to handle long-term growth in the demand for goods. Cargo growth is forecast using the MDST GB Freight Model (used to produce forecasts for Network Rail and National Highways among other bodies).

6. Derived from the MDST-produced land-use forecasts, the table below shows the projected scale of development for large-scale warehousing that the NEDNA recommended should be planned for across Coventry and Warwickshire.

Table 1: Recommended Need for Strategic B8 (Coventry and Warwickshire)

	Hectares	
	Need to 2041	**Need to 2050**
Base Need	419	594
5 year margin*	115	115
Total Need	**606**	**709**

Source: HEDNA, Table 10.19

** As is standard practice a margin is included to ensure a geographic choice of sites and flexibility of supply. This margin was based on the recent 5 year completions trend.*

7. There is clearly a significant level of large-scale warehouse new-build projected over the next 20-30 years. While some of this demand can and will be accommodated at existing B8 sites (either on vacant consented plots, in existing stock which is substantially refurbished or on recycled plots), a significant proportion will need to be located at new strategic B8 sites or at extensions

to existing logistics developments. The key economic drivers of this position were identified as follows:

i. While many existing older buildings may be physically sound, they are increasingly becoming functionally obsolete. This situation is being primarily driven by changes in the retail sector, particularly the growth of e-commerce. Many older buildings cannot accommodate the required equipment required for on-line sales, or the ability to handle both e-commerce and store deliveries under the same roof. Many existing retailers have therefore been and are continuing to modernise their distribution facilities, while many new entrants needed to build a logistics network. Modern distribution buildings are often too large to be accommodated on plots at older logistics parks, meaning that new strategic B8 sites need to be brought forward. Growth in the parcels sector (to handle growing e-commerce volumes) has also necessitated the development of large 'cross-dock' type facilities close to urban conurbations.

ii. The de-carbonising agenda is likely to drive further demand for warehouse facilities which are either directly served by the railway network (such as those at Birch Coppice or Hams Hall) or at sites close to intermodal terminals. Long distance trunk-hauls from ports and to/from more distant domestic origins/destinations can then be undertaken by (predominantly) electric powered trains (as battery electric HGVs are unlikely to have sufficient range). This is addressed in more detail further below.

iii. Increasing automation within warehouses and the need for facilities to be equipped with fast-charging points (in order that fleets of battery-electric LGVs/MGVs can be re-charged simultaneously) is driving demand for warehouse facilities which have substantially higher electric power requirements. Many older warehouses are located where the regional electricity distribution network does not have sufficient capacity, leading to demand for new buildings at locations where grid power capacity is available.

8. Further, reproduced below is the text-box included on page 218/219 (below paragraph 10.14) of the HEDNA final report.

Use of Rail Freight

The National Policy Statement (NPS) on National Networks promotes the development of a network of Strategic Rail Freight Interchanges (SFRI) to aid the transfer of freight from road to rail, supporting sustainable distribution and reducing trip mileage of freight movement on the national and local road networks. It aims to optimise the use of rail in long-haul primary trunk journeys, with other modes then providing the secondary (final leg) of a trip, with a view to reducing carbon emissions, addressing congestion and improving capacity on the road network, and addressing pollution. Government thus seeks to deliver a network of SRFIs.

It should be noted that warehousing on rail-served sites is not required to use rail; and businesses may locate to these sites to 'future proof' the sustainability of their operations whilst non rail-served sites can operate on a 'satellite' basis making use of rail terminals which are close to them. With the end of 'red diesel' exemptions in April 2022 there will be no financial benefit from warehousing being located on sites which include a rail terminal.

Coventry and Warwickshire is relatively well served by existing SFRI sites either within the sub-region or close to it (including at DIRFT) and there is the potential for development of a further site to come forwards at Hinckley. We do not consider that there is currently sufficient evidence to justify recommending specific development of further rail-served capacity in Coventry & Warwickshire at the current time.

However, to support the use of rail in transporting goods (with associated sustainability benefits), consideration should be given to the providing additional warehousing capacity in locations close to the SRFI to support and enable growth in the use of rail in transporting goods. Bringing forward capacity in locations close to existing SRFI, which could include as extensions to existing sites or new sites - as well as road-based locations elsewhere – is therefore appropriate.

9. The conclusions summarised in the text-box are broadly correct; they reflect the comments above and the conclusions contained in the Rail Terminal Connectivity Statement. An expansion in the quantum of floor space that is rail-served is desirable for both economic and sustainability reasons (particularly given the growth rates forecast in the HEDNA), and that this could be achieved (in part) by means of extensions to existing SRFIs alongside satellite sites close by (such as the warehouse floorspace being promoted at land NE J10 M42). However, the conclusion presented in the final sentence of the second paragraph (underlined above) is incorrect. While the use of rebated (red) diesel in off-road shunting equipment was no longer permitted from April 2022 onwards, there are still considerable financial benefits (and wider societal benefits) to be derived from large-scale warehousing being 'rail-served'. This is explained below.

10. It is also worth noting that the principal underlying rationale for the NPS, which is referenced in the first paragraph of the text box, is that rail-served warehousing generates both efficiency and sustainability benefits (reference particularly paragraph 2.44 of the NPS which states that *"SRFIs are a key element in reducing the cost to users of moving freight by rail and are important in facilitating the transfer of freight from road to rail"*). This clearly contradicts the afore-mentioned final sentence of the second paragraph.

3. RAIL-SERVED WAREHOUSING

11. Before considering the financial and societal benefits, it is worth considering when a warehouse can be considered 'rail-served'. There is no single definition set out in legislation, regulation or policy as to when large-scale warehouses can be considered to be 'rail-served'. The Planning Act 2008 (the principal legislation governing planning for SRFIs) states that SRFIs must "*include warehouses to which goods can be delivered from the railway network either directly or by means of another form of transport*" (Section 26). The afore-mentioned NPS defines SRFIs as "*a large multi-purpose rail freight interchange and distribution centre linked into both the rail and trunk road system. It has rail-served warehousing and container handling facilities*" (footnote 42, Page 20). Paragraph 4.88 of the NPS notes that SRFIs need to have rail-connected or rail-accessible buildings alongside areas for intermodal handling and storage. Based on these legislative/policy descriptions and standard industry operating practices, within the logistics/rail sector there is a generally regarded convention that there are two types of 'rail-served warehousing'.

12. The first type involves the installation of rail sidings along one side of the warehouse (normally one of the long sides) or even into the warehouse itself. Cargo is transferred directly between railway wagons positioned in the sidings and the warehouse using fork-lift trucks or similar lifting equipment, thereby avoiding the need to use road transport. This aligns with the 'delivered directly from the railway network' requirement set out in the Planning Act 2008 and the 'rail-connected' description in the NPS.

13. These types of warehouses are normally associated with semi-bulk cargoes, such as steel or forest products, moved in conventional box or flat wagons, as they are only economic when handling commodities which tend to move in full train-load volumes (train length at least 400m). Under these conditions, however, they can generate significant transport cost savings when compared with road transport. ProLogis Park in Coventry (Kerseley), due to a condition of its planning consent, has such sidings installed alongside a number of the warehouses.

14. The second type of rail-served logistics warehousing is where they are located within close proximity to an intermodal rail terminal, with the transfer of container units between the intermodal terminal and warehousing being able to take place using some form of *'works truck'* type equipment rather than a fully road-legal HGV. Developments over the past two decades have seen multiple warehouse new-builds 'cluster' around an intermodal terminal within a single rail-served site. As alluded to above, these have become known as SRFIs, and include facilities at *DIRFT* (near Crick, Northants), *East Midlands Gateway* (Kegworth, Notts), *Hams Hall* and *Birch Coppice Business Park*. This situation aligns with the 'delivered from the railway network….by means of another form of transport' requirement in the Planning Act 2008 and the 'rail-accessible alongside intermodal handling' description in the NPS.

15. A 'works truck' is defined under the Construction and Use Regulations as a *"motor vehicle (other than a straddle carrier) designed for use in private premises"*. The definition is self-explanatory, and in the case of rail-served warehousing it is normally a yard tractor[1] hauling a skeletal semi-trailer. The definition means that the equipment deployed must be specifically designed for the task at hand, in this case hauling shipping container units and swap bodies over short distances. It also means that former road-going vehicles, such as old tractor units, cannot be classed as works trucks.

16. In many cases, the internal estate road networks at SRFIs which connect the intermodal terminal to the warehousing are privately owned and maintained. There are generally no restrictions on the use of works trucks on such roads, given that it is private land, provided they are operated safely e.g., it is purpose-built equipment, regularly maintained to manufacturer recommendations and where the driver had been fully trained (with monitoring and re-fresher sessions). Prior to April 2022 yard-tractors on private land could use rebated (red) diesel; as noted in the HEDNA report this arrangement has ended and fully duty-paid fuel diesel must be used. Battery-electric versions are now available to lease/purchase, with the added benefit of further carbon savings.

17. In other cases, the road networks within some SRFIs have been adopted by the local authority (as in the case of Hams Hall), meaning they are classed as public highways. Similarly, extensions to existing SRFIs and satellite sites will in all likelihood be connected to the main SRFI development (and hence the rail terminal) via existing publicly funded road infrastructure. However, where this is the case, it is still be possible to utilise 'works truck' equipment under certain conditions.

18. The DfT has provided a useful guide to the use of works trucks on the public highway. This is appended to the end of this addendum document. The guide indicates that works trucks can be used on the public highway under the following conditions:

    1. The equipment utilised is a 'works truck' as defined under the Construction and Use regulations (i.e., "designed for use in private premises");
    2. The journey on the public road network is confined to the "immediate neighbourhood" and for delivering goods;
    3. The equipment operated meets the requirements set out in the Construction and Use regulations. This includes being within gross vehicle weight limits, having a speedometer (if they can exceed 25mph), fitment of suitable brakes and appropriate lighting (headlights, indicators, etc...);

[1] A light-weight tractor unit designed to haul semi-trailers away from the public road network, including to/from RoRo ships, within distribution centres and at rail terminals. They are highly manoeuvrable and can lift/drop trailers quickly and efficiently.

4. The vehicle is registered with the DVLA (i.e., has been allocated a registration number and has plates fitted) and is taxed (Vehicle Excise Duty) at the appropriate 'works truck' rate (currently £165 per annum);
5. The vehicle is insured (minimum third party); and
6. The driver holds at least a Category B driving licence (car licence), is 21 years or older and has held the licence for at least 2 years

19. Meeting these conditions would mean that a warehouse located on a satellite site/SRFI expansion land and connected to the adjacent intermodal rail terminal via public roads could be classed as 'rail-served' on the same basis as a distribution centre on a SRFI with private estate roads. In other words, it is 'rail-accessible' and can receive 'goods from the railway network…by means of another form of transport'.

20. The term 'immediate neighbourhood' is not defined in terms of distance. It is regarded as a matter of judgement for the operator and ultimately would be for a Court to determine. As per the conclusions in the previously prepared Rail Terminal Connectivity Statement, the 500m distance from Birch Coppice along the A5 to the proposed site access would more than likely fall within the definition of 'immediate neighbourhood'.[2] As a result, the scheme being promoted would therefore be able to access the BIFT under the same 'works truck' operating conditions as those located within the SRFI estate. The planned warehouse can therefore be classed as 'rail-served' within the legislative and policy definitions outlined.

21. This position is corroborated by the letter of support from the Rail Freight Group (RFG). The letter is attached to the end of this Technical Addendum. It notes that the warehouse building(s) proposed "*have the potential to be classed as 'rail-served' due to their close proximity to BIFT, effectively extending the rail linked warehousing onsite enabling more users to benefit directly from the rail terminal*". Likewise, the letter of support from Logistics UK (attached to the end of this Technical Addendum) alludes to the "*benefits from being rail-served by virtue of its proximity to Birmingham Intermodal Freight Terminal*".

Benefits of Rail-served Warehousing

22. Section 4 of the Rail Terminal Connectivity Statement described and estimated the financial benefits that would accrue to shippers and occupiers using rail freight when warehouses are 'rail-served' (as outlined above). This covered:

- The transfer costs when moving a container unit between an intermodal terminal and warehouse; and

[2] While the use of rebated diesel is no longer permitted, it is worth noting that HMRC previously allowed rebated diesel to be used on the public road network where the distance between two private sites was under 1km.

- Transport costs from distant cargo origins.

23. Paragraphs 4.9 to 4.15 of the Rail Terminal Connectivity Statement compared the cost of transferring a container from a rail terminal to a rail-served warehouse using a works truck (as described) with the cost of moving the same unit to an off-site facility close-by using standard road legal HGV equipment. It concluded that the internal shunting cost to the rail-served warehouse would be around £22 per container one-way, compared with around £130 per container to the off-site warehouse. Recent inflation (higher fuel and wages) has probably added around £2 and £6 respectively to these costs. It should be noted that the exercise assumed fully duty-paid diesel in each case. The lower works truck costs can be attributed to:

    - Lower leasing costs for yard tractors compared with a road-going tractor unit;
    - VED being £165 for a works truck compared with £1,136 for a 44-tonne road legal HGV; and
    - Wage rates for fully qualified HGV drivers being significantly higher than for yard tractor operatives (as noted works trucks can be driven on a standard Category B car driving licence rather than by fully qualified HGV licence holders).

24. The removal of the rebated (red) diesel arrangements has added to operator's costs – around £1.50 per shunt. However, these other cost advantages still mean that the use of works trucks equipment is cheaper than fully road-legal HGVs.

25. Paragraphs 4.16 to 4.22 of the Rail Terminal Connectivity Statement considered the cost of moving a container unit from a distant cargo origin (in this case the Port of Southampton) to a distribution centre in the Tamworth area. Using rail freight to a rail-served warehouse at Birch Coppice the estimated door-to-door cost was £204 per unit, or £302 per container to an off-site warehouse. The equivalent road haulage cost was estimated to be around £293 per container. Again, recent inflation will have lifted these rates, albeit the differential will be broadly similar.

26. However, it is clear from the analysis that moving goods to/from a rail-served warehouse can generate significant cost savings for shippers and occupiers alike. As concluded at paragraph 4.20 of the Rail Terminal Connectivity Statement, the analysis undertaken clearly demonstrated that one of the main factors which renders rail freight cost competitive against road haulage is the ability to locate distribution centres at rail-served locations. This supports the principal underlying rationale for the NPS, as described above. As further proof, the afore-mentioned RFG letter of support references Paragraph 83 of the NPPF. This describes the need for storage and distribution operations being located in 'suitably accessible locations'. The RFG notes that, in this context, 'suitably accessible locations'[3] means as physically close to rail freight infrastructure as possible, in order to maximise future uptake and deliver the consequential benefits.

[3] NPPF, paragraph 83.

27. In both cases assessed, being 'rail-served' was able to generate significant financial benefits. The conclusion presented in the HEDNA report, namely that there will be no financial benefit from warehousing being at sites with a rail terminal, is clearly incorrect and would not withstand detailed scrutiny.

28. In addition to the potential user benefits described above, rail freight is recognised as being a more sustainable mode of transport, generating wider societal benefits when compared with road haulage. Modal switch to rail from road generates lower levels of pollutants (improved air quality), causes fewer accidents and leads to less wear/tear on road surfaces. Emissions of greenhouse gases (GHG), in particular, are significantly lower on tonne-km basis, which is particularly important given internationally binding national commitments to reduce and ultimately become a net-zero GHG emitter. The RFG's letter of support also highlights the significant wider benefits from using rail freight. The letter of support from *Maritime Transport* (operator of BIFT and Hams Hall terminals) makes similar points concerning rail freight's lower GHG emissions (attached to the end of this Technical Addendum).

29. The DfT has monetised the wider societal benefits of moving goods by rail freight rather than road haulage. In transport appraisals these are termed mode shift benefits (MSBs) or non-user benefits. On a weighted average basis, MSBs are currently valued by the DfT at £0.34 per HGV-km removed from the road network. For the Port of Southampton to BIFT example flow described above, moving the container by rail rather than road haulage would therefore generate around £82 in wider non-user benefits.

30. Section 5 of the Rail Terminal Connectivity Statement subsequently estimated the potential mode-shift to rail resulting from the proposed development being 'rail-served' (as described) alongside the wider non-user benefits, with a particular focus on the estimated reduction in GHG emissions. It concluded that:

    - The modal shift from road to rail estimated would generate a GHG emissions saving of just under 5,800 tonnes of carbon dioxide equivalent per annum;
    - Total non-user benefits to the country of around £3.5 million per annum.

Expansion of SRFIs and Satellite Sites

31. As referenced above, the HEDNA final report notes that Coventry and Warwickshire is already well served by existing SRFIs (specifically Hams Hall and Birch Coppice, and slightly further afield DIRFT), with proposals for additional capacity at a site near Hinckley currently being considered through the Development Consent Order process. It therefore concluded that *"We do not consider that there is currently sufficient evidence to justify recommending specific development of further rail-served capacity in Coventry & Warwickshire at the current time"* (Text Box Page 218/219 below Paragraph 10.14).

32. However, it has been demonstrated that an expansion in the quantum of rail-served floor space is desirable for both economic and sustainability reasons. This includes the quantitative analysis undertaken in the Rail Terminal Connectivity Statement, the principal underlying rationale for the NPS and more recently the contents of the *Future of Freight Plan* (which is summarised below). Given this position but also taking into account the HEDNA conclusion, it is therefore imperative that maximum use is made of the existing rail terminal capacity in Coventry and Warwickshire. In practice, this means that a significant proportion of the HEDNA's projected new-build of large-scale logistics warehousing will need to be brought forward at locations adjacent to the existing intermodal rail terminals ("as physically close to rail freight infrastructure as possible", as per the RFG letter of support).

33. This point is acknowledged in the HEDNA report, which subsequently concluded that it was appropriate to bring forward new capacity in locations close to the existing SRFIs, either as extensions to existing sites or at new (satellite) sites (Text Box Page 218/219 below Paragraph 10.14). This is reiterated at Paragraph 11.22 of the HEDNA report which states that "*sites close to existing/planned terminals with capacity should be assessed more positively*". Then when subsequently recommending key areas/locations where new strategic B8 should be focused the A5 corridor is identified, noting that it includes both the BIFT and DIRFT rail terminals, with the potential addition of Hinckley if subsequently approved.

34. With respect to the planned scheme on land NE J10 M42, four relevant matters emerge. Firstly, as described in the Rail Terminal Connectivity Statement and in the assessment set out above, the proposed warehousing/logistics facility will be an effective extension of the existing BIFT SRFI at Birch Coppice. It therefore conforms with the conclusions set out in the HEDNA as described. Secondly, the attached letter of support from Maritime Transport states that "*BIFT has plenty of spare capacity*", noting that the terminal could handle eight trains per day using the existing infrastructure (currently operating up to five trains per day) and up to 130,000 containers per annum (currently at circa 80,000 containers per annum). It also notes that with further investment by Network Rail and the additional capacity that HS2 is expected to provide, more than eight daily trains could be added. There is consequently significant headroom for growth.

35. Thirdly, in addition to BIFT there are a significant number of other SRFIs and rail freight interchanges with 40km/25 miles of the land NE J10 M42. This is evidenced by the two maps reproduced in the appendix, which shows the proposed facility in relation to the rail terminals across the Midlands. Finally, by tapping into existing rail terminal infrastructure which has spare capacity, proposals will therefore 'sweat the assets' further, thereby generating additional efficiencies and economies of scale in the overall end-to-end supply chain. As will be described below, this is a key feature of the Future of Freight plan with its vision of a 'cost efficient' freight sector. As a further benefit, it will exploit existing imbedded carbon (at the BIFT terminal) in place of generated GHG emissions implied by a new-build SRFI rail terminal.

36. Overall, it can be seen that the planned scheme at land NE J10 M42 conforms with both current Government policy with respect to the logistics sector and the recent planning evidence base, namely:

- It contributes towards the projected requirement for new-build warehousing contained in the HEDNA and is located in one of the identified growth areas;
- It will be delivered as an extension to an existing SRFI in the Coventry and Warwickshire area (as per the HEDNA conclusions);
- It will help generate significant cost savings in the end-to-end supply chain (as per NPS and Future of Freight Plan);
- It will exploit existing spare rail terminal capacity (cost efficiencies, as outlined in the Future of Freight Plan); and
- It will generate significant GHG emissions savings (as per NPS and Future of Freight Plan).

37. The delivery of additional rail-served warehousing capacity is key to maximising the uptake of rail freight, thereby generating its economic, sustainability and societal benefits. The proposed scheme at land NE J10 M42 is ideally located as an extension to BIFT, would accord with national and regional policy and legislation and would, if approved, help generate these benefits.

4. FUTURE OF FREIGHT: A LONG-TERM PLAN

38. The *Future of Freight Plan* was published by the Department of Transport (DfT) in June 2022. The Plan is a joint Government-freight/logistics industry response to a number of challenges which have impacted on the sector recently, including the Covid-19 pandemic and supply chain issues related to Brexit. In addition to managing these recent issues, the Plan looks to the future, including the challenges and opportunities presented by the transition to net-zero.

39. The Plan identifies five key priority areas, namely:

    1. Identify a National Freight Network (NFN) across road, rail, maritime, aviation, inland waterways and warehousing.
    2. A new open and honest relationship will be forged with the freight sector to assess future energy needs.
    3. A planning call for evidence to explore planning reform opportunities.
    4. To improve the freight sector's image and raise awareness of the breadth of career opportunities available (the 'Generation Logistics' campaign).
    5. Connecting the freight sector to innovators via a dedicated Freight Innovation Fund.

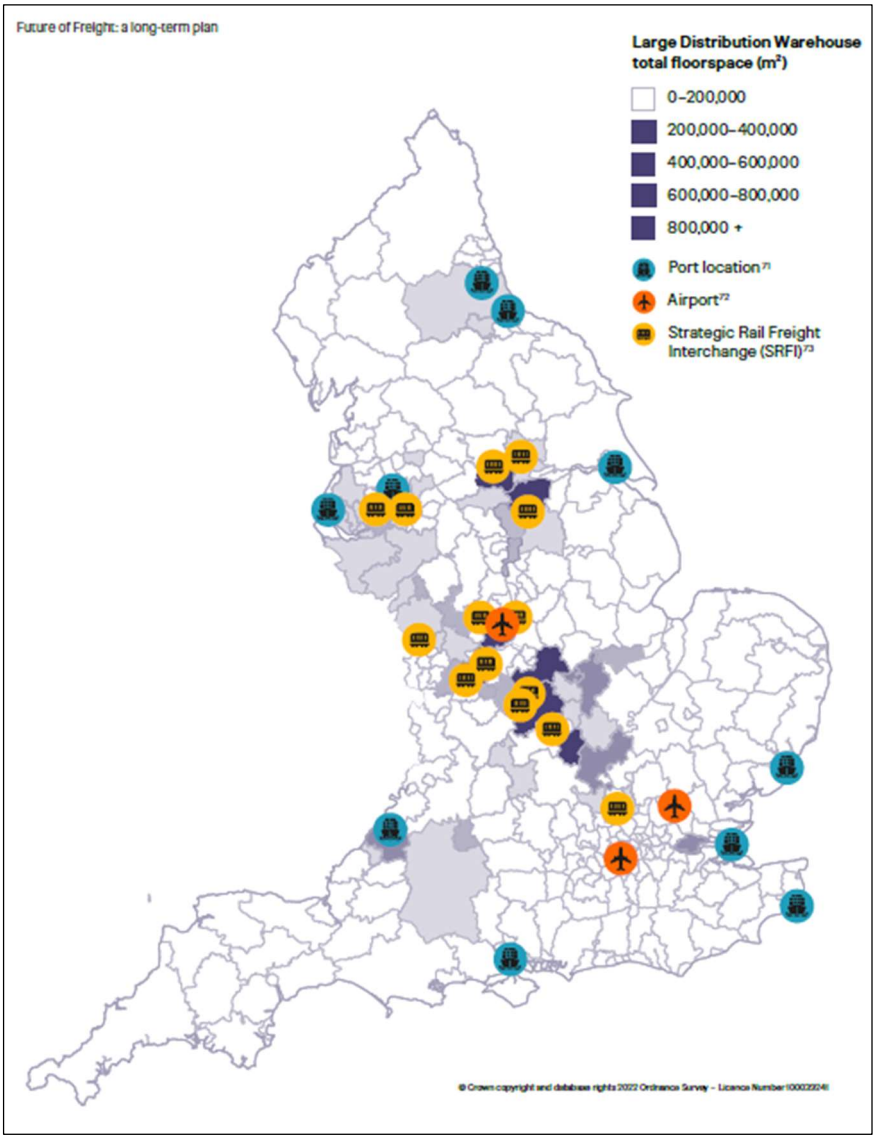
40. The overall vision set out in the Plan is for a freight sector that is cost efficient, reliable, resilient, environmentally sustainable and valued by society. A summary review of the Plan as it relates to the development of new logistics warehousing is presented below.

41. Section 1 describes the scale of the freight sector. Data is provided showing the volume of cargo lifted and moved by mode along with its economic value. Section 2 set outs the objectives and scope of the Plan, including outlining the vision described above.

42. Section 3 addresses the first priority noted above, namely the NFN. It is important to note that large-scale warehousing is now viewed as an integral component of the NFN. The Plan concludes that the previous 'modal approach' to infrastructure investment had its limitations. It therefore notes that a key goal is better Government and industry collaboration to secure a system level approach to the freight network. This should mean that end-to-end freight movements become more efficient and reliable. Cross-modal thinking is highlighted, particularly when it comes to maximising opportunities for modal shift. Paragraph 3.21 notes that "*where this cross-modal approach has been most visible has been in work to facilitate modal shift through investment in rail freight interchanges*". Developments in the golden triangle are noted. It further states that "*Interchanges such as these not only meet the needs of the freight sector but also support wider government objectives around decarbonisation and congestion. All helping to deliver a more efficient, resilient, and environmentally sustainable freight sector*".

43. The following map is produced on Page 44 of the Plan. It clearly shows the concentration of large-scale warehousing and SRFIs in the Midlands and the region's central location in relation to the main ports.

Map from Future Freight Plan – Location of Warehousing, SRFIs and Ports



44. A number of future tasks are stated, including:

- Understanding the NFN and how it is used;
- Better visibility for freight in infrastructure planning; and
- Supporting modal shift to rail.

45. Section 4 of the Plan concerns the transition to net-zero. In particular, it looks at how Government and industry collaboration can enhance investment certainty as the sector transitions to net-zero. The Transport Decarbonisation Plan (TDP), published in 2021, is referenced. It concludes that modal shift from road to rail will continue to form a key part of the freight sector's decarbonisation strategy (paragraph 4.28). Future tasks are to include:

    - Government and the freight sector continuing to work together to deliver the TDP, including taking forward demonstrations of new technology; and
    - Mode shift promotion and support.

46. Section 5 deals with planning. It states that the goal is a planning system which fully recognises the needs of the freight and logistics sector now and into the future. Paragraph 5.1 notes that the planning system has a crucial role in promoting development that supports the efficient supply of goods. It continues, stating that "*the planning system needs to ensure that sufficient land is being made available in the right places for freight operations and that it is able to respond to the changing needs of the freight and logistics sector*". For the reasons outlined above, and as stated in the appended letter of support from RFG, 'the right places' means as physically close to rail freight infrastructure as possible and certainly 'rail served sites' in order to accrue all of the benefits that entails in terms of cost efficiencies and carbon savings. The planning system has a clear role in ensuring the country has a freight and logistics sector that is economically efficient, reliable, resilient, and environmentally sustainable and can meet current and future needs.

47. In paragraph 5.3, it notes that demand for space across 19 key industrial and logistics markets is currently above the supply of land and floor space (importantly this conforms with the outputs from the HEDNA). It states that "*the planning system will be key to enabling the growth and innovation of the freight sector to better meet current and future challenges. By ensuring the planning system can be more responsive to the needs of the sector, freight will be able to secure sufficient land of the right type in the right places and at the right time to support growth, innovation and improved productivity with the appropriate accompanying infrastructure*".

48. Continuing this theme, paragraph 5.4 notes that "*Ensuring there is a joined-up approach between the planning system, local authorities and industry, can safeguard and prioritise the land needed for these uses. Sites that support freight activities like ports, lorry parks, refuelling stations and infrastructure, as well as distribution centres often require large amounts of land and need to be strategically located near transport links*".

49. Future tasks in this area are to include:

    - Review and where appropriate amend planning guidance to better support freight and logistics;

- Undertake a call for evidence to ensure Government understands the practical issues of planning in support of freight and logistics, to identify what works well currently and where improvements need to be made;
- To update guidance for local transport plans so that freight needs become key considerations in local plan making; and
- Through the review of the National Network National Planning Statement (NPS), the Government will consider the growing importance of major freight schemes to the economy, particularly the increasingly important role of SRFIs and the interdependencies between different transport hubs along the supply chain.

50. With respect to current proposals for a new strategic industrial/warehousing scheme on land NE J10 M42, four key themes emerge from the Plan which provides support for the scheme:

- Large-scale warehousing is now seen as a key component of the NFN;
- The Midlands is confirmed as an important location for large-scale warehousing and SRFIs;
- A strong commitment to decarbonisation and net-zero, with modal shift identified as playing a key role. The development of rail-served warehousing (as per the NPS) is crucial to this role; and
- The need for sufficient land to be brought forward in the right places to support the changing needs of the logistics sector.

5. DRAFT NATIONAL POLICY STATEMENT FOR NATIONAL NETWORKS

51. The *NPS for National Networks* was designated by Parliament in 2015. It sets out the need for and the Government's policies on expanding the level of rail-served warehousing. It has been referenced further above in relation to the HEDNA conclusions and the rail-connectivity benefits that will derive from the development of the proposals at land NE J10 M42. With respect to SRFIs, the Planning Act 2008 and the NPS can be considered a successful reform as all applications considered to date have been granted consent (DIRFT Phase III, East Midlands Gateway, Northampton Gateway and West Midlands Interchange).

52. In 2022 the Department for Transport (DfT) launched a review of the NPS for National Networks, in part to reflect new legislation set out in the Environment Act 2021. Following this review, a *Draft NPS for National Networks* was published for consultation on 14 March 2023. The consultation runs until 6 June 2023. Even though the document is currently in 'draft for consultation' form, it clearly sets out the Government's emerging policies and thinking with respect to rail-served warehousing. Given the conclusions reached in the Rail Terminal Connectivity Statement and in the assessment set out above, namely that the proposed warehousing/logistics facility would be an effective extension of the existing BIFT SRFI at Birch Coppice, the draft NPS is therefore material to the application. The relevant sections are summarised below.

53. The first point to note is that the Draft NPS aligns with the *Future of Freight Plan (see above)*, published by the DfT in June 2022. This defined a National Freight Network across road, rail, ports and logistics warehousing (i.e., including SRFIs), and should help identify the infrastructure needed to support an integrated network that facilitates modal shift.

54. An overarching 'Drivers of Need' section (Paragraphs 3.2 to 3.23) initially sets out the need for the development of the national networks. Five categories are identified:

- Network performance – the additional costs of road legs linked to rail journeys are noted as a barrier to growth, implying a need for 'rail-served' warehousing to reduce this cost, as per above (Para 3.6);
- Economic growth – sustainable transport can unlock sites for employment growth (Para 3.8);
- Network resilience;
- Net-zero – infrastructure interventions delivering environmental outcomes (Para 3.17) and
- Network Safety.

55. Similar to the 2015 NPS, there is a 'Drivers of Need' section relating specifically to SRFIs (Paragraphs 3.83 to 3.99), albeit it has been re-drafted from the current version. Four 'drivers' are described:

- Network performance and resilience – Paragraph 3.85 specifically states that SRFIs reduce the costs to users of moving freight by rail, and are therefore important in facilitating modal shift (clearly contradicting the HEDNA text box conclusion – page 218/219 – which has been addressed above);
- User needs – states that the logistics industry needs to develop new facilities located alongside major rail routes and trunk roads, that SRFIs are a key part of an efficient supply chain and that they are a key element in aiding the transfer of freight to rail (Paras 3.87 to 3.89);
- Connectivity and supporting economic growth – Paragraph 3.92 specifically notes that expansion at existing SRFI sites is expected to create numerous jobs and support local economies; and
- Environment – rail is currently the only way of transporting goods in a low-carbon way and that there is a clear need to encourage modal shift to realise environmental benefits (Para 3.96 to 3.99).

56. Overall, the draft NPS reaches the same conclusions to the 2015 NPS, namely that:

- A network of SRFIs is needed across all regions to serve regional, sub-regional and cross-regional markets; and
- There is a compelling need for an expanded network of SRFIs.

57. The draft NPS also sets out updated policy on the need for improved HGV parking and driver welfare facilities at logistics sites. Paragraph 2.4 states that the "*Government is committed to addressing the strategic national need for more lorry parking and better services in lorry parks in England, ensuring all delivery partners including planning authorities, roadside facilities operators and National Highways all play their part in achieving this objective and that the freight and logistics industry are empowered to continue to innovate within the sector".*

58. Similarly, when addressing the locational requirements and design standards of SRFIs, Paragraph 4.78 of the draft NPS notes that *"from the outset, a Rail Freight Interchange should be developed in a form that can accommodate both rail and non-rail activities including ensuring appropriate provision for Heavy Goods Vehicle drivers."* Likewise, the following paragraph states that *"freight interchanges should have good road access, and provide appropriate parking and associated facilities to ensure Heavy Goods Vehicle driver wellbeing is observed"* (Paragraph 4.79). This is further re-enforced at Paragraph 4.87 which states that SRFIs should provide *"adequate and secure Heavy Goods Vehicle parking provision with associated services and facilities to support driver wellbeing and legal requirements to rest".*

Appendix

2 November 2022

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Rail Freight Group

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Dear Sir or Madam,

Land on the North East of J10 M42 Dordon/A5 (Ref: PAP/2021/0663)

I write in relation to the above planning application at Land on the North East of J10 M42 Dordon/A5, which is located in close proximity to the Birmingham Intermodal Freight Terminal ("BIFT") and Hams Hall Rail Freight Terminal ("HHRFT").

Rail Freight Group

Rail Freight Group (RFG) is the representative body for rail freight in the UK, and we campaign for a greater use of rail freight, to deliver environmental and economic benefits across the UK. We have over 100 member companies including rail freight operators, logistics companies, ports and equipment suppliers, as well as retailers, construction companies and support services.

Benefits of rail freight

Rail freight benefits society as a whole by reducing harmful emissions and congestion, providing high quality jobs, and helping many regions of the UK to prosper. It also offers many commercial advantages to its customers, including reliability, speed and cost-effectiveness.

Reliability and Speed – rail freight operators achieve 97% reliability on the premium services they run for retailers and, in general, rail freight can match or better road freight for reliability.

Cost-effective – rail freight companies' continued investment is reducing costs for customers. Modern freight trains achieve higher speeds and heavier payloads as investment in UK rolling stock increases, with tonnage per train up by 80% in the last decade.

Environmental Benefits – rail freight reduces CO2 emissions by up to 76% compared to road, helping mitigate the effects of transport emissions on global warming – an increasingly important driver of rail freight uptake as corporations aim to meet Net Zero Carbon targets.

Improved Air Quality – rail produces up to 10 times less small particulate matter than road haulage and as much as 15 times less nitrogen oxide for the equivalent mass hauled.

Reduced Congestion – each freight train can remove up to 76 lorries from the roads, resulting in 1.6 billion fewer HGV kilometres every year nationally.

Supporting Regional Growth – of the 5,000+ people employed by the freight industry, more than 80% are employed outside the south east of England. Rail freight is also vital for the economic prosperity of ports, power stations, production centres and retail centres across the country.

Proposals at Land on the North East of J10 M42 Dordon/A5 in a national context

We note that the specific locational requirements of the freight / supply chain sector and the importance of focusing growth close to rail freight terminals is acknowledged in national planning policy[1], as well as several recent policy documents published by the Department of Transport (DfT)[2]. In this context, 'suitably accessible locations'[3] means as physically close to rail freight infrastructure as possible, in order to maximise future uptake and deliver the consequential benefits to society outlined above.

The application site is strategically located close to BIFT (c. 0.5 mi). We are aware that the application proposals therefore have the potential to be classed as 'rail-served' due to their close proximity to BIFT, effectively extending the rail linked warehousing onsite enabling more users to benefit directly from the rail terminal. We are also aware that BIFT has significant capacity for growth in the future. The proposed site is also close to HHRFT (c. 9 mi) with good trunk road links. It is therefore exceptionally well located in the West Midlands to facilitate the aims of national policy in relation to encouraging rail freight use and decarbonising transport.

We are therefore supportive the proposed development at Land on the North East of J10 M42 Dordon/A5 (Ref: PAP/2021/0663), which aligns with national policy support for the increased use of rail freight as well as our own initiatives and campaigns.

Yours sincerely,

[redacted]

Maggie Simpson OBE
Director General

[1] National Planning Policy Framework (NPPF) paragraphs 83 and 106.
[2] Future of Freight: a long-term plan; Decarbonising Transport: A Better, Greener Britain; and Great British Railways: The Williams-Shapps Plan for Rail; to name but a few.
[3] NPPF paragraph 83

LOGISTICS UK

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Sent by email

12 November 2022

Dear Mr Collinson,

Planning Application Ref: PAP/2021/0663 – Land North East of Junction 10 M42, North Warwickshire

Logistics UK is one of the UK's largest business groups and the only one that provides a voice for the whole of the UK's logistics sector. Our role, on behalf of over 20,000 members, is to enhance the safety, efficiency and sustainability of freight movement throughout the supply chain, across all transport modes. Our members range from global businesses to national companies and regional and local SME businesses.

The logistics sector employs 2.56 million people in the UK, either directly or indirectly, accounting for 8% of the UK workforce and contributes £139 billion gross value added to the UK economy. Supply chain businesses across all modes demonstrated their importance to the economy and society throughout the COVID-19 pandemic. Teams were rightly recognised as key workers transporting essential goods, including food, medicine and construction materials to keep the country operating.

Driving economic growth

As set out in the DfT's recently published *Future of Freight: A Long Term Plan*[1], the Government is clear that the logistics and freight sector is central to the UK's most pressing national priorities, from building back after the pandemic, levelling up, and reducing greenhouse gas emissions. It is also a significantly growing industry - the number of people working in logistics has dramatically increased from 675,600 in 2012 to 1,250,000 in 2021[2]. It is therefore critical that the continued growth of the logistics sector is supported.

Logistics UK supports the proposed development of up to 100,000sqm of new, high-quality, logistics floorspace in the location adjacent to the Junction 10 of the M42 and that benefits from being rail-served by virtue of its proximity to Birmingham Intermodal Freight Terminal.

[1] Future of Freight: A Long Term Plan (DfT, June 2022)
[2] Logistics UK (June 2022) - https://logistics.org.uk/media/press-releases/2022/june/logistics-plays-vital-role-to-levelling-up-agenda

A development of this scale would help provide significant inward investment to the area and new employment opportunities, which the application documents suggest would comprise up to 1,295 net additional jobs and GVA of up to £104.2 million annually in perpetuity to the West Midlands economy.

Providing sufficient driver facilities

Lorry parking is a priority issue for our members and the lack of suitable facilities at the roadside is often cited as one of the main reasons that people are hesitant to come and work as a professional driver, as well as by those deciding to leave the industry. By improving the facilities available, this will deliver better working conditions, helping to attract a larger and more diverse pool of talent, alongside improving public perception of the sector. Greater attention must be given to the chronic shortage of commercial vehicle parking spaces, on or close to, the Strategic Road Network. The need is for the provision of high-quality, safe and secure roadside facilities including showers, toilets and hot food.

The shortage of lorry parking facilities also impacts on local communities. HGV drivers by law must take a rest break of at least 45 minutes after a maximum of 4.5 hours of driving. They must also take legally mandated rest breaks overnight and at weekends. Failure to comply with Drivers Hours regulations is a serious road safety offence and can result in a driver losing their vocational entitlement to drive. If there are no facilities available where and when a driver needs to stop, this can result in them having little choice, but to park up in less suitable locations such as laybys or close to residential areas.

The Department for Transport (DfT) has recently published a survey[3] of commercial vehicle parking and concluded that the "provision of lorry parking at on-site facilities is nearly at critical level, having reached 83 per cent utilisation level across the network". The West Midlands utilisation level was found to be 84%. This highlights the urgency of addressing the lack of adequate facilities that Logistics UK has been calling for, along with supportive measures such as addressing delays to planning applications and identification and options for sites on Government owned land.

Section 109 of the National Planning Policy Framework sets out that local planning policies and decisions should recognise the importance of providing adequate overnight lorry parking facilities, taking into account any local shortages, to reduce the risk of parking in locations that lack proper facilities or could cause a nuisance. Proposals for new or expanded distribution centres should make provision for sufficient lorry parking to cater for their anticipated use.

Against this backdrop, Logistics UK is extremely supportive of the provision of a secure overnight lorry parking facility (of up to 150 spaces) and associated welfare facilities as part of the wider development proposals subject to application ref: PAP/2021/0663.

Supporting mode shift to maritime and rail

Reducing greenhouse gas emissions and reaching net zero is a key priority for the sector. Promoting and harnessing modal shift from road to maritime and rail is vital to help achieve this.

Highly sustainable and rail-served sites, such as those subject to the development proposals, should be supported. In this case, it is noted that the site is rail-served by virtue of its proximity to BIFT with additional rail freight infrastructure at Hams Hall (c.8.7 miles).

[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1108154/national-survey-of-lorry-parking-2022-part-one.pdf

An additional benefit of the proposed overnight lorry parking facility is that it would provide a significant quantum and higher quality of parking and welfare facilities in close proximity to two key intermodal rail hubs in the West Midlands region, further supporting modal shift.

Conclusion

Logistics UK supports the development proposals and I hope this feedback is useful as you consider the application.

Yours sincerely,

Michelle Gardner
Deputy Director – Policy

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The Planning Department
North Warwickshire Borough Council
The Council House
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29th September 2022

Dear Planning Department

Re. Land North East Junction 10 M42 - Birmingham Intermodal Freight Terminal

I write in response to the planning application submitted in December 2021 under reference PAP/2021/0663 relating to Land North East Junction 10 M42.

Overview

Maritime Transport Ltd ("Maritime") operate strategically placed rail freight terminals across the UK serving the largest manufacturing and consumer conurbations, with rail freight terminals in Wakefield, Trafford Park, Tilbury, Mossend, Tamworth (BIFT), Hams Hall, and East Midlands Gateway.

Maritime has operated the Birmingham Intermodal Freight Terminal ("BIFT") near Tamworth since it was purchased in 2014, albeit we understand that it commenced operations in 2006.

Amongst its benefits, rail freight can reduce CO2 emissions over road freight by 76% per tonne carried, helping us and our customers' to reduce the carbon footprint of supply chain logistics in line with ambitious sustainability and Net Zero Carbon targets. It also reduces vehicle time on the road network and provides resilience in the supply chain.

Operations and Spare Capacity at the Birmingham Intermodal Freight Terminal

At BIFT, we operate 5 trains per day (an increase from 3 trains per day in 2016) to the major ports of Felixstowe, Tilbury, London Gateway, and Southampton. BIFT has plenty of spare capacity and could operate up to 8 trains per day on existing infrastructure.

All lines to BIFT have full W10 gauge clearance to allow large containers to arrive direct from coastal ports and the Terminal is AFSO regulated meaning it can accept trains direct from Europe. The current throughput of rail bound containers at BIFT is approximately 80,000 containers per annum. This is an increase from approximately 40,000 in 2014 and 50,000 in 2016. On existing infrastructure, BIFT could accommodate 8 trains per day equating to approximately 110,000 – 130,000 containers per annum. With further investment on the rail network by Network Rail and the freeing of capacity that HS2 is expected to provide more than 8 daily trains could be added.

Customer Proximity & Sustainability Efficiencies

The BIFT user base is located mostly at the local sub-region, with 50% of all rail bound containers delivered or collected within 10 miles radius of the Terminal and 80% within a 20 mile radius. Locally based users include Euro Car Parts and AP Moller Maersk. Furthermore, the move to electrification of road based vehicles and consequent requirement for regular re-charging means close proximity to users is becoming increasingly important.

The growing breadth of our freight terminals across the UK has also allowed us to increase the volumes of goods transported by rail between single customers' locations with a significant reduction in carbon footprint when compared to road base solutions.

Development Proposals

The development proposals at Land NE Junction 10 M42 are of clear interest given the scheme's proximity and would help support our plans to expand the use of rail at BIFT and increase utilisation of existing services.

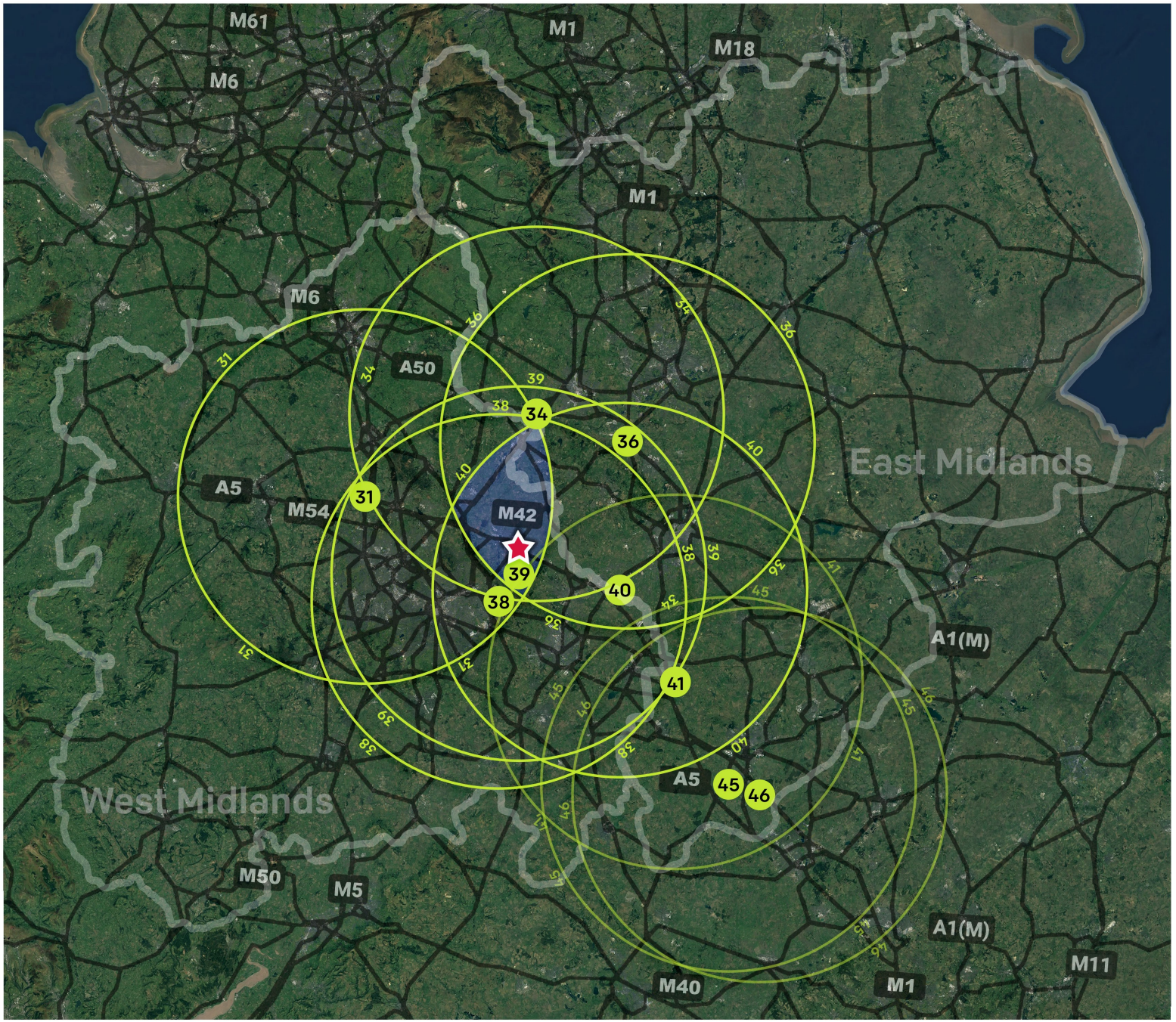
We therefore support the proposed development and would be very interested to learn more information should planning permission be granted.

With kind regards

[redacted]

Simon Smart
Chief Executive Officer

Proximity to Midlands SRFI (25 mi)



0 5 10 15

Miles

Legend:

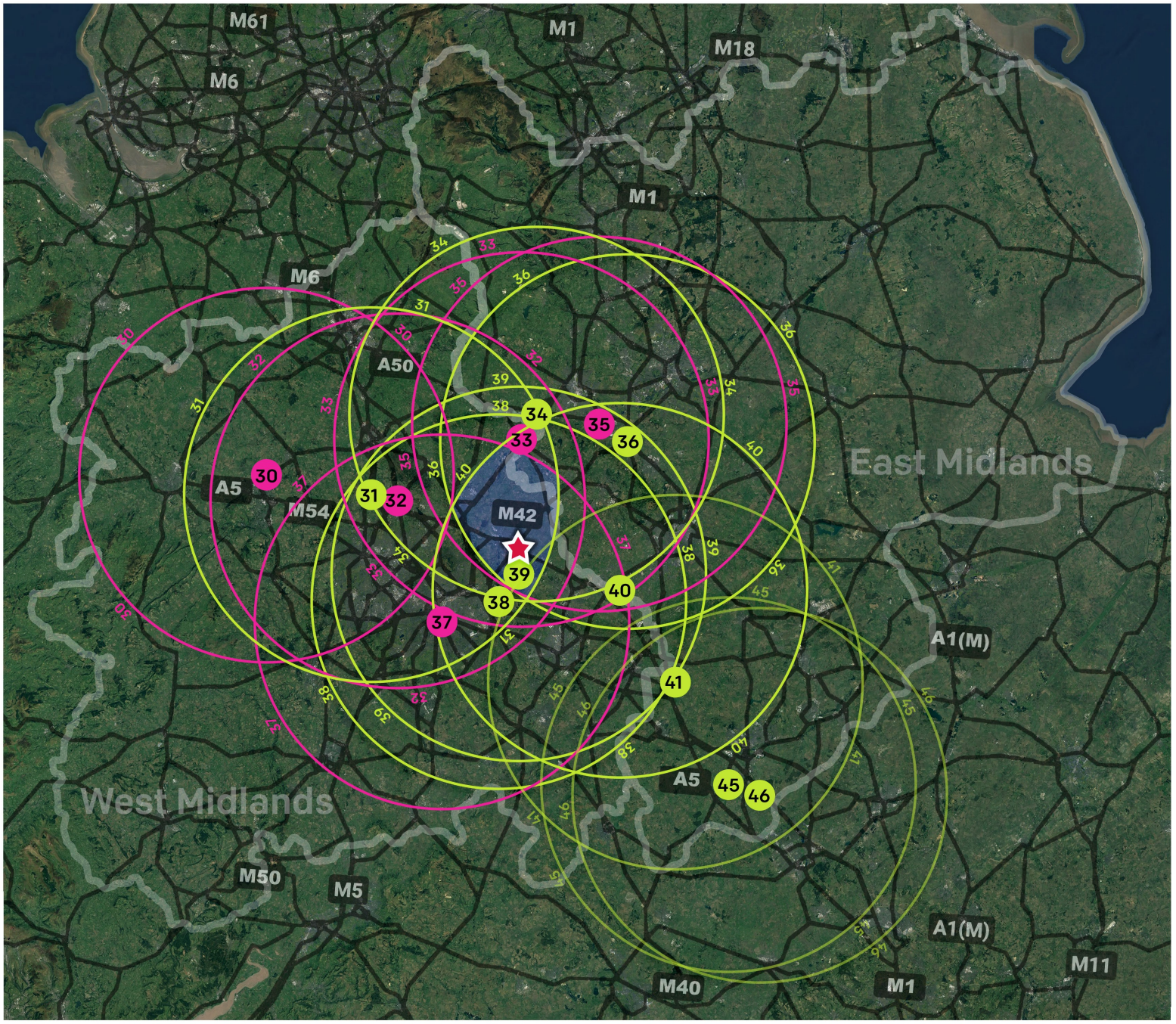
- Site
- Strategic Rail Freight Interchange (SRFI)
- 25 mile radius from existing and proposed SRFI
- M1 — Road Network

List of Frieght Interchanges:

Adopted index from the Network Rail Frieght Map

- 31 West Midlands Interchange
- 34 East Midlands Intermodal Park
- 36 East Midlands Gateway
- 38 Hams Hall
- 39 Birch Coppice
- 40 Hinckley
- 41 DIRFT I (Malcolm Group)
- DIRFT II (Sainsbury's)
- DIRFT II (Tesco)
- DIRFT III
- 45 Rail Central
- 46 Northampton Gateway

Proximity to Midlands SRFI & RFI (25 mi)



0 5 10 15

Miles

Legend:

- Site
- Strategic Rail Freight Interchange (SRFI)
- Rail Freight Interchange (RFI)
- 25 mile radius from existing and proposed SRFI
- 25 mile radius from existing and proposed RFI
- M1 Road Network

List of Frieght Interchanges:

Adopted index from the Network Rail Frieght Map

30 Telford
31 West Midlands Interchange
32 Cannock
33 Burt on Trent
34 East Midlands Intermodal Park
35 Castle Donington EMDC
36 East Midlands Gateway
37 Birmingham
38 Hams Hall
39 Birch Coppice
40 Hinckley
41 DIRFT I (Malcolm Group)
DIRFT II (Sainsbury's)
DIRFT II (Tesco)
DIRFT III
45 Rail Central
46 Northampton Gateway