



A Freight Strategy for Urban South Hampshire



Annex 1: Freight Trends and Policy Background



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PART A: FREIGHT TRENDS

1. European Freight Trends

In 2006, within the 27 EU countries, 4,143 billion tonne-kilometres of freight was transported by all modes. The majority of this was transported by road or by sea. There has been a 35.3% increase in freight tonne-km between 1995 and 2006.

Table A1.1 – Volumes of freight transported within the EU-27 in 2006 by mode

Mode	Billion tonne-km	% Modal Split
Road	1888	45.5%
Sea	1545	37.3%
Rail	435	10.5%
Inland waterway	138	3.3%
Oil Pipeline	135	3.3%
Air	3	0.05%
Total	4143	100%

The volume of road transport in the EU is estimated to have been 1,888 billion tonne-kilometres (tkm). This is an increase of 46% between 1995 and 2006. Just over two thirds of tonne-km travelled was national haulage, and just under a third was international. For inland freight transport journeys within the EU, the modal split is 72.7% by road, 16.7 by rail, 5.3% by inland waterways and 5.2% by oil pipelines.

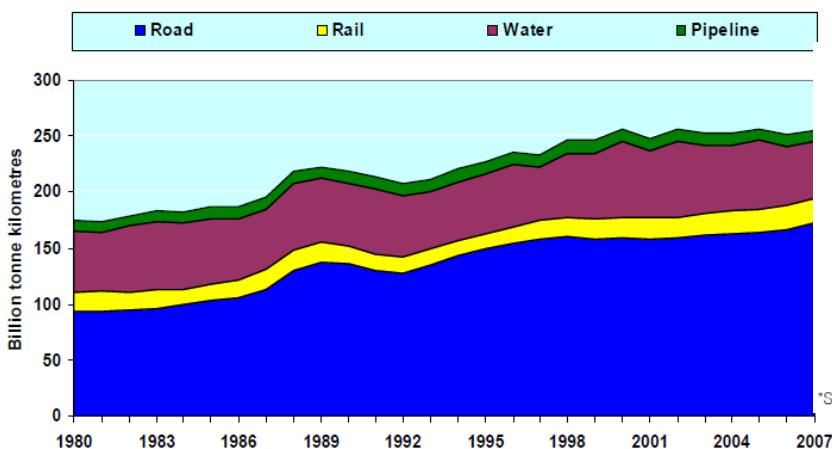
2. National Freight Trends

Here are some current statistics from the Department for Transport's *Transport Statistics for Great Britain* to offer an overview of freight trends between road, rail, water and air.

2.1 General National Freight Trends

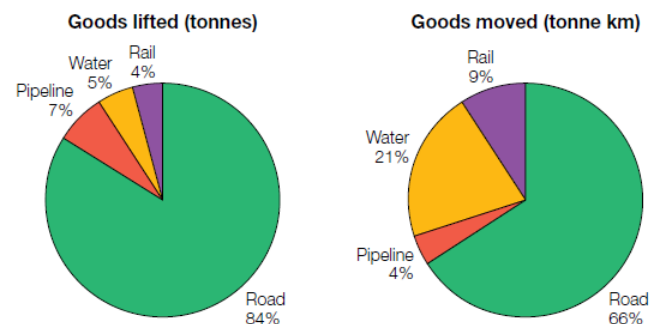
- The UK freight and logistics industry accounts for 6% of Gross Domestic Product (GDP)
- International trade in goods accounts for a further 30% of GDP
- 45% of total expenditure on transport goes on movement of goods rather than people

Figure A2.1.1 - History of tonne kilometres by mode (billion tonne km)



Sources: Department for Transport (road and water), Office of Rail Regulation (rail), and Department for Business, Enterprise & Regulatory Reform (pipeline)
The rail data in this chart are outside the scope of National Statistics

Figure A2.1.2 - Domestic tonne kilometres by mode (2007)



*Surface transport only: excludes air.

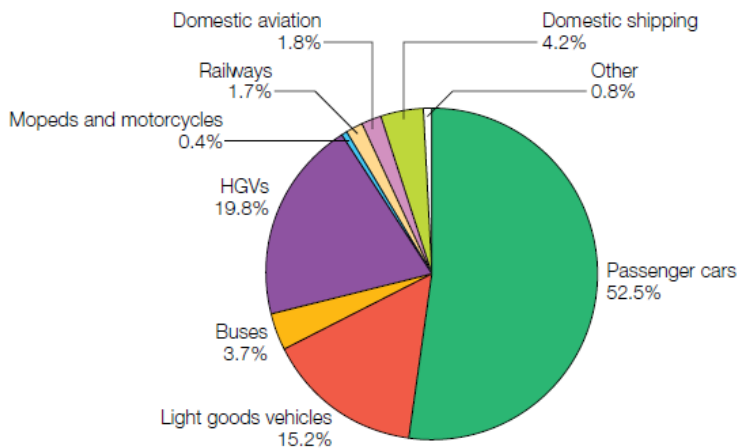
Source: Department for Transport (DfT)

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- Logistics is the UK's fifth biggest industry sector employing 2.27 million people or 8% of all employment. Railways employ 42,000 people, 24,000 people are directly employed by ports and shipping firms, 521,000 people work as HGV or van drivers, and 71,000 are employed in the management and administration of transport operations.
- Goods are being moved further than in the past, a trend attributed to a number of factors including changes in distribution patterns and the types of goods lifted.
- Domestic freight moved increased from 175 to 252 billion tonne kilometres between 1980 and 2006, an increase of 44%.
- There was an 11 per cent increase in domestic freight lifted (in tonnes) in Great Britain in the last decade (1998-2007).
- There was a 9 per cent increase in goods moved (in billion tonne km) in Great Britain in the last decade (1998-2007).
- UK industry spends in excess of £80 billion per year on transporting goods by road, rail and water.
- Foreign import tonnages through UK ports increased by 44% between 1996 and 2006 (DfT port statistics). This growth was led by imports of consumer goods and coal during this period. Meanwhile, foreign exports fell by 8% over the same period. For unitised tonnages (goods in containers and trailers) there was an overall growth of around 46%.
- Figure A2.1.4 below shows that in 2004, the UK freight transport sector produced 33.7 million tonnes of CO₂. Road transport accounted for just under 92% of freight CO₂. Rail and water-borne transport accounted for just under 8%. This represents only 21% of all transport related CO₂ emissions, and 6% of total UK CO₂ emissions.

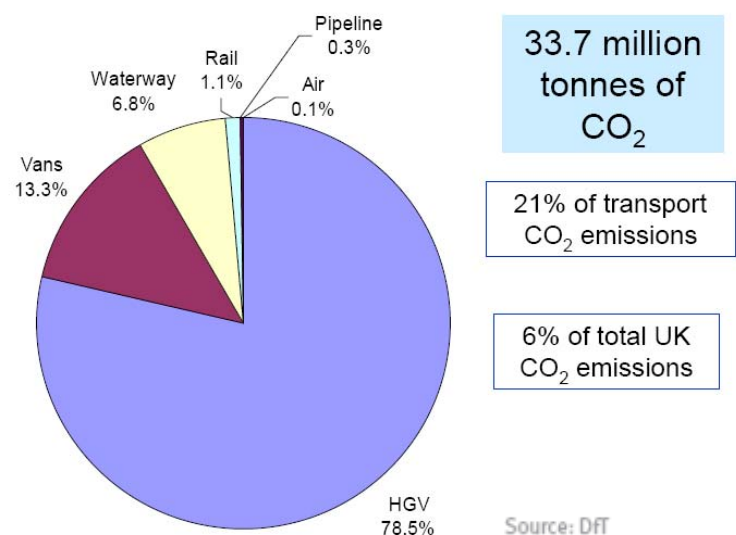
Figure A2.1.3 - CO₂ Emissions from UK domestic transport (2006)



Other includes Liquid Petroleum Gas emissions (all vehicles); other road vehicle engines, and other mobile sources and machinery.

†The emissions from rail given above are from diesel trains only, consistent with the UNFCCC reporting guidelines.

Figure A2.1.4 – CO₂ Emissions from the UK freight industry (2004)

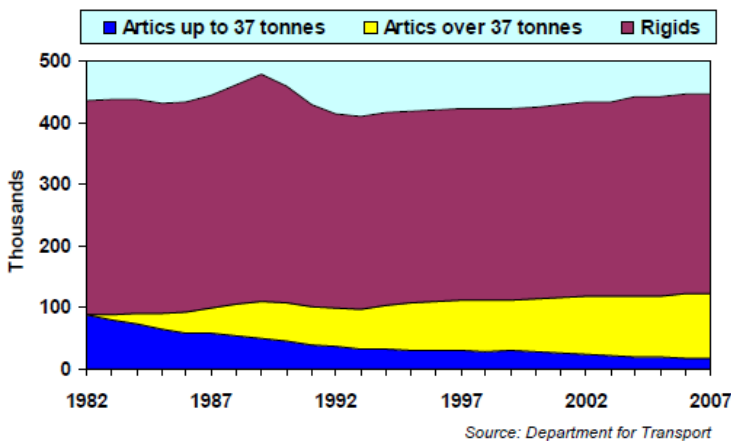


2.2 Road Freight trends

- Road traffic from all motor vehicles increased by 15% between 1996 and 2006 in terms of vehicle kilometres travelled.
- Most freight is moved by road which remains the mode of choice for commodities. Road currently accounts for 64% of all goods moved (tonne kilometres) up from 53% in 1980, and 82% of those lifted, suggesting rail and water are favoured for moving bulk goods over longer distance journeys.
- Van traffic has increased by 40% between 1996 and 2006.

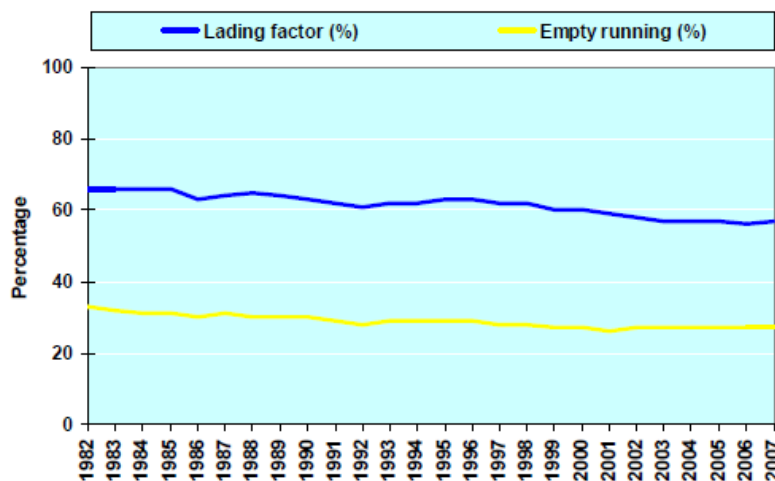
- 42% of HGV movements is on the motorway network. A further 46% of movements use major roads.
- HGVs make up 6% of total vehicle kilometres travelled. Vans make up 13%.
- Articulated vehicles over 33 tonnes gross weight continue to account for an increasing share of all goods moved: 72 per cent of total tonne kilometres in 2006, compared with 63 per cent in 1996.
- CO₂ emissions from vans have grown 24% between 1994 and 2004
- The total number of road accidents involving commercial vehicles has fallen by 19% between 1996 and 2006.
- There has been a long term increase in overall average length of haul, from 68 kilometres in 1980 to 86 kilometres in 2006, although there has been relatively little change since 1995.
- 53% of goods were lifted 50 kilometres or less in 2006.
- The number of goods vehicle operators has fallen over the last 10 years from 118,000 in 1995/96 to 100,000 in 2005/06.

Figure A2.2.1 – Goods vehicle stock at end year: 1982 to 2007, Great Britain



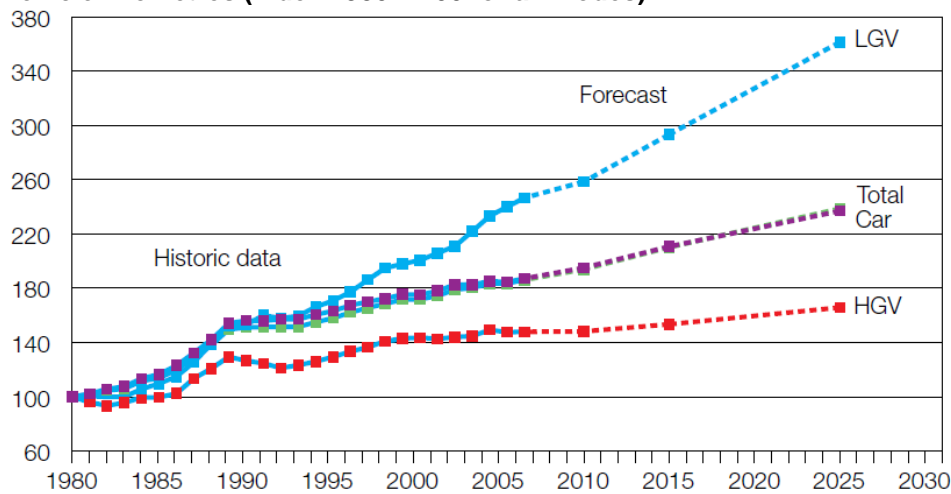
- Figure A2.2.1 shows, the total number of UK registered lorries has increased slowly since 1993. Of these, 73% are rigid lorries. The majority of HGVs are over 37 tonnes in weight.
- Figure A2.2.2 below shows that road freight is becoming steadily more efficient, with the proportion of empty running falling.

Figure A2.2.2 – Domestic road freight efficiency indicators: 1982 to 2007, Great Britain



- There is a significant difference in the rates of growth of different modes of transport. For example, the significant growth in demand for light goods vehicles (LGV) is in part due to the forecast increase in internet shopping and delivery. This is shown in Figure A2.2.3 overleaf:

Figure A2.2.3 Trends and Forecast growth in demand for different road transport modes in vehicle kilometres (Index 1980 = 100 for all modes)

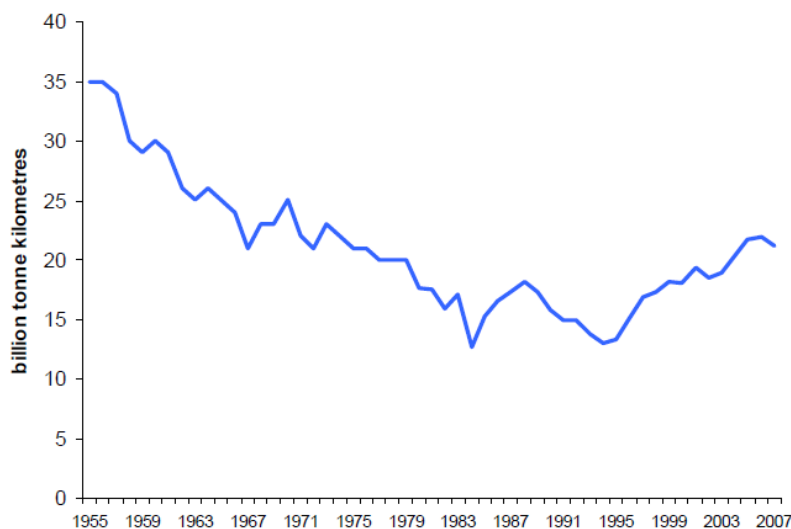


(Source: DaSTS Main Report, November 2008)

2.3 Rail Freight Trends

- In 2005/06, the rail freight sector saved 6.74 million lorry journeys, equivalent to 122 billion lorry kilometres over a year.
- Rail is most competitive for high-volume flows over longer distances, and tends to become markedly less attractive as volume and distance decline.
- An average freight train can remove 50 HGV journeys from our roads
- Following a long period of decline, volumes of rail freight have grown by 40% between 1997 and 2007. Rail freight remains a minority mode, accounting for around 4per cent of surface tonnes lifted and 9 per cent of surface tonne kilometres moved.

Figure A2.3.1 Domestic UK goods moved by rail (1955-2007/08)



Source: DfT

- In 2007, rail moved 21 billion tonne kilometres of goods.
- Rail is responsible for the movement of most coal.
- Rail freight accounts for 27-30% of containers moving to and from Southampton.
- Projections suggest that rail's share of freight tonne km will increase from 12.6% in 2006 to 20.7% by 2030.
- Total rail freight volumes are projected to reach 198 million tonnes by 2030 – an increase of 60% on 2006 levels.

- Rail emits 80% less CO₂ than road. This ignores the effect of road legs at each end of the journey which would reduce this figure

2.4 Maritime Freight Trends

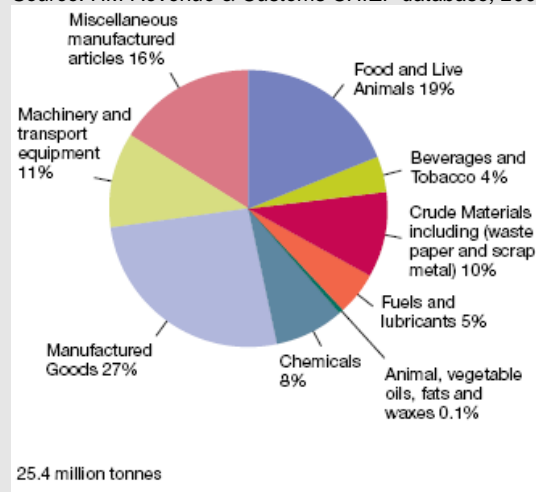
- Water's market share fluctuates from year to year. Between 1980 and 2006, a low of 48.1 billion tonne kilometres was reached in 1997 whilst a high of 67.4 billion tonne kilometres was reached in 2000.
- Much of this variation is explained by the rise of North Sea oil and the effective banning of waste disposal at sea.
- Excluding North Sea oil and sea dredged aggregates, water currently accounts for 9% of goods moved.
- Water is responsible for most liquid oil and petroleum product movements.
- Goods moved by water have the longest average length of haul although this can largely be attributed to the distribution of North Sea oil to refineries.
- Waterborne freight dominates UK international trade. In 2006, 96% of all goods by volume arrived in the UK by sea.
- Between 1985 and 2006, the volume of imports moving through UK ports increased by 80% and the volume of exports increased by 13%.
- In 2006 Southampton port handled 40.6 billion tonnes of freight. 48% of which was imports, 31% exports and 21% domestic.
- By 2030, it is forecast that UK deep sea ports will see a growth of 12.5m TEU of container traffic. This represents 174% growth on current throughput.
- There are plans in the pipeline to allow an extra 2m TEU to pass through the port of Southampton.
- Containers are used to transport a wide range of commodities as the pie charts in Figure A2.4.1 below show:

Figure A2.4.1: What do containers carry?

It is difficult for those who do not get to see the day-to-day operation of a busy container port to appreciate the wide and diverse range of goods that are transported inside containers. From the outside they all look alike. The two pie charts below show the different types of commodities carried.

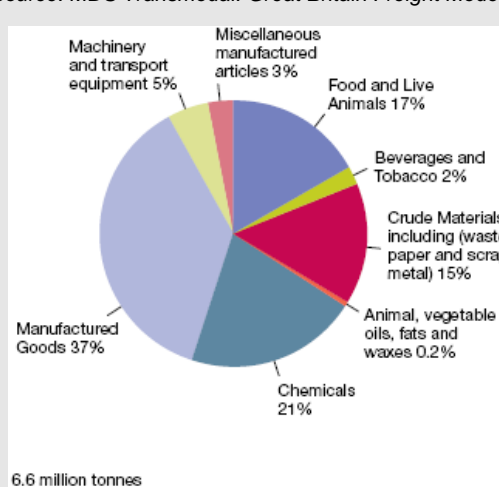
UK Container imports from Non-EU Countries, 2007 (Tonnes)

(Source: HM Revenue & Customs CHIEF database, 2007)



UK Container imports from EU Countries, 2007 (Tonnes)

(Source: MDS Transmodal: Great Britain Freight Model, 2007)



2.5 Air Freight Trends

- A quarter of the UK's visible trade goes by air.
- Over the last twenty years, international air freight tonnes lifted have grown more quickly than domestic air freight tonnes lifted, reflecting the growth in international air freight.
- Air cargo and mail tonne kilometres moved by UK airlines increased by 56% between 1996 and 2006.
- 2.32 million tonnes of air freight were loaded and unloaded at UK airports in 2006 (and increase of 31% against 1996 levels) and it is increasing.
- Aviation delivers one third (by value) of the UK's exports at £13 billion.
- 70% of air freight is carried within the baggage holds of passenger aircraft.
- Two thirds of the volume of UK air freight is handled via Heathrow and Gatwick.

3. Regional Freight Trends

The South East region makes a major contribution to the UK economy, accounting for 15.6% of total UK Gross Value Added (GVA) in 2003. GVA measures the contribution to the economy of each individual producer, industry or sector in the UK.

On a European basis (2001 figures) the South East ranks 15th of the EU's 86 regional units (including accession states). The South East also compares favourably with other English regions on indicators such as income, with household disposable income 9% above the national average.

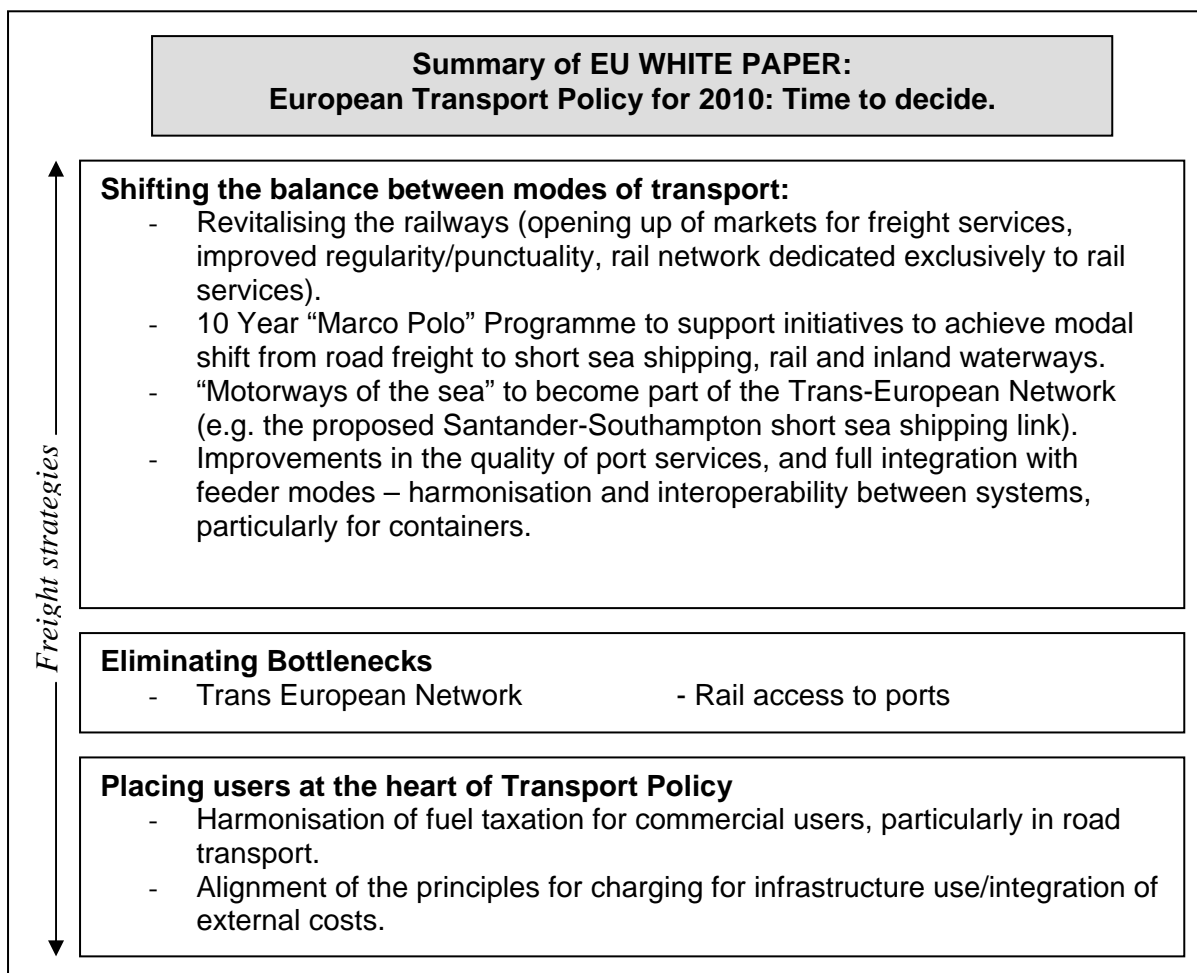
- Just over 250,000 people in the South East of England are either directly or indirectly employed by logistics
- Between 1994 and 2004, the amount of goods lifted by road in the South East has increased from 177 million tonnes per annum to 194 million tonnes. Of the goods tonnage lifted by road in 2004, the majority (131 million tonnes) was delivered within the South East

PART B: FREIGHT POLICY BACKGROUND

4. European Policies on Freight

The EU White Paper *European Transport Policy for 2010: time to decide* was published in 2001. This emphasises a need to move towards an integrated and multi-modal freight transport system. The report notes that both rail and water have massive potential and virtually unlimited capacity in the European Union member states. In terms of rail, the report calls for the re-examination of rail networks and infrastructure to ensure they have the capacity to maintain a 35% share of the freight market in 2010. In terms of shipping, the report encourages increases in freight transport along both inland waterways and the short-sea network. It asserts that sea transport is a real and competitive alternative to land transport.

One billion Euros (10% of total GDP) were committed to the proposals that seek to tackle the effects of transport globalisation and create a sustainable transport system. The White Paper is based around three over-riding strategies which seek to break down the link between transport growth and economic growth, shown below:



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The Trans European Network for Transport (TEN-T) of transport corridors of importance to intra-EU trade was developed following the 2001 EU White Paper. Between February and April 2009, EU carried out a consultation on proposed objectives and options for future development of the TEN-T network as part of a review of TEN-T. This covered identifying priorities for TEN-T investment and funding for projects. The following maps show the defined TEN-T road network and TEN-T rail network in the South East area of the UK. The TEN-T road corridors are shown in orange, the priority rail corridors of international importance are shown in purple, and other TEN-T rail routes are shown in green.

UK TEN-T Road corridors



UK TEN-T Rail corridors



The M27 between Southampton and Portsmouth, and the whole of the M3, and the A34 are TEN-T roads. The South West Main Line (Weymouth - Bournemouth - Southampton - London Waterloo), the Basingstoke to the West Midlands route (via Reading and Oxford) and the south coast rail route (are all “conventional” TEN-T rail corridors.

In addition to the above measures, two EU funded initiatives are of relevance to freight. The Best Urban Freight Solutions (BESTUFS) project, set up in 2000 aims to research and share EU wide best practice on managing the environmental impacts of urban freight deliveries. Examples of work include support for electric powered delivery vehicles.

The *Intermodal Port Access and Commodities Transport in Europe* (IMPACTE) initiative was set up in 2005 and is co-funded by the INTERREG IIIB programme for North West Europe. The project promotes and facilitates sustainable port based development and distribution of freight, focusing on economic, social and environmental benefits. The project includes small-scale investments in port infrastructure and feasibility works to improve intermodal port access. The Ports of Southampton and Portsmouth are both partners in IMPACTE and have benefited from funding for new or improved rail terminals in recent years. More details



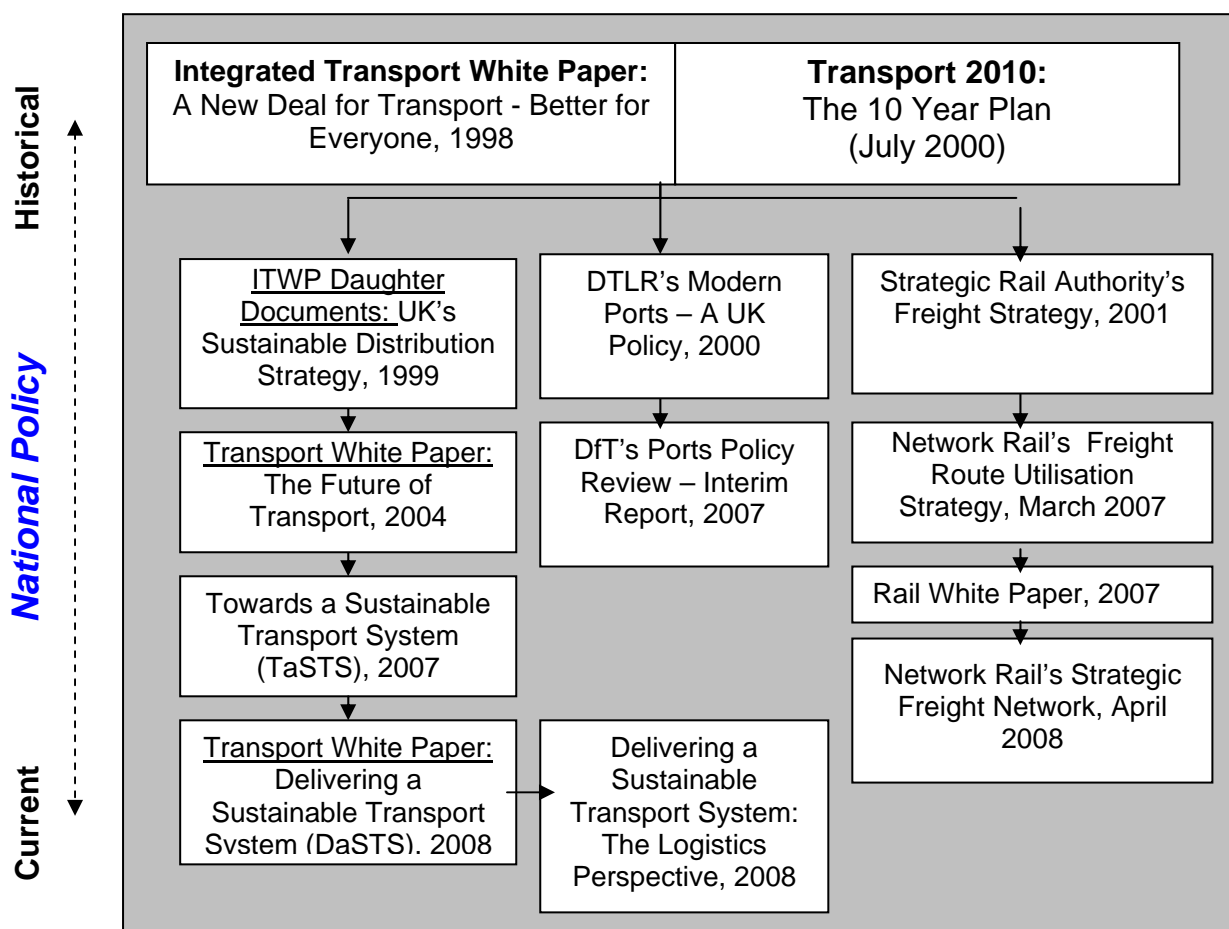
of these schemes are set out in Chapter 3 of the main freight strategy document. A photograph of the new railhead in Fratton Goods Yard is shown above.

Carbon Reduction Targets

Under the EU 2020 Climate and Energy package, the Commission’s proposals would require a 16 per cent reduction by 2020 (on 1990 levels) of greenhouse gas emissions from the UK non-traded sector.

5. National Transport Policies on Freight

Freight transport policy has been developed in the UK through a progression of policy documents.



5.1 Historic National Transport Policy

The **1998 Government Integrated Transport White Paper (A New Deal for Transport: Better for Everyone)**, set out a new agenda for creating an integrated transport strategy. One aim of this was to promote the sustainable distribution of goods and services. It sought to increase the use of rail freight, inland waterways and coastal shipping. In 1999, **A Sustainable Distribution Strategy**, addressing freight issues was produced. The white paper was followed by **Transport 2010: The 10 Year Plan**, the Government's detailed plan for achieving the aims and objectives of the Integrated Transport White Paper. This included an ambitious target to increase rail freight's share of the freight market from 7% in 2001, to 10% by 2010 – equating to an 80% increase in rail freight.

The Transport White Paper: The Future of Transport (2004) updated the Government's strategy on how it plans to achieve more sustainable distribution of goods, building on the Sustainable Distribution Strategy (1999). The 2004 white paper marked a move away from the ten year plan target. It also made a commitment to monitor Freight Intensity, the change in overall freight traffic and lorry traffic relative to GDP. The DfT's approach to freight as set out in the 2004 White Paper comprised the following elements:

- **Access to infrastructure** - improve journey reliability, greater certainty for rail freight operators, pledge to develop a Strategic Freight Network of rail routes.

- **National and international regulation** - where necessary to minimise the impacts of road freight transport in particular on safety and the environment, and streamline domestic regulation (including simplified approach to operator licensing).
- **Local and regional regulation** - we will encourage local authorities to use their various regulatory powers that relate to freight transport in a more co-ordinated way to make life easier for businesses while protecting the interests of local people. We will encourage regional bodies to think strategically about freight, especially in the context of regional strategies on transport, housing and spatial development.
- **Enforcement** - regulation needs to be enforced with fairness, transparency, proportionality and speed and will take forward proposals to introduce a graduated fixed-penalty scheme for road traffic infringements.
- **Best practice** - we will continue research and dissemination, covering all forms of freight transport but, as road transport dominates, the scope for efficiencies is clearly greatest here.
- **Modal-shift programmes** - rail and water. We will continue to encourage freight traffic to be shifted from road to rail or water where this makes sense, and where appropriate we will offer financial support.
- **Taxation of the haulage industry** - proposals were set out to deliver lorry road user charging by 2007-08. This was to be a new distance-based charge which will apply to all lorries using UK roads. These proposals have subsequently been postponed as the required technology to implement such a system was not ready.
- **Vehicle telematics and tracking technologies** - provide information about the location of the vehicle or its cargo, allowing freight operators to be more efficient - reducing mileage, operational costs and fuel consumption.

5.2 Towards a Sustainable Transport System (TaSTS)

This Government transport policy document was published in October 2007. The main thrust of the document is that it is possible to improve economic competitiveness by investing in more network reliability, at the same time as tackling carbon emissions from transport.

TaSTS made reference to the Eddington Transport Study, which drew together clear evidence that a comprehensive and high-performing transport system is a key enabler of sustained economic prosperity. Transport can impact on the economy, in ways relevant to the freight sector by:

- increasing business efficiency, through time savings and improved reliability for freight and logistics operations.
- By increasing competition by opening up access to new markets. Transport improvements can allow businesses to trade over a wider area, increasing competitive pressure and providing consumers with more choice.
- By increasing domestic and international trade by reducing the costs of trading.

The Eddington Study stated that without action, congestion is likely to increase by a further 30 per cent by 2025. This increased congestion could see costs to business and freight rise by over £10 billion. The study suggests that investment should be focussed on travel for work in the urban areas which make the biggest contribution to our economy and are experiencing the most rapid growth, on the inter-urban corridors between these cities and on the principal international gateways through which freight and business travellers pass. This suggests that there are good economic competitiveness arguments for tackling congestion and improving journey time reliability on the M3 and A34 highway corridor from Southampton port to the M40 and on improving rail capacity on the Southampton – Basingstoke – Reading corridor.

5.3 Delivering a Sustainable Transport System (DaSTS): Main Report

This Government White Paper was published in November 2008. DaSTS has slightly revised five policy goals that were first outlined in TaSTS. The five goals are:

1. to support national economic competitiveness and growth, by delivering reliable and efficient transport networks;
2. to reduce transport's emissions of carbon dioxide and other greenhouse gases, with the desired outcome of avoiding dangerous climate change;
3. to contribute to better safety, security and health and longer life expectancy through reducing the risk of death, injury or illness arising from transport, and promoting travel modes that are beneficial to health;
4. to promote greater equality of opportunity for all citizens, with the desired outcome of achieving a fairer society;
5. to improve quality of life for transport users and non-transport users, and to promote a healthy natural environment.



Transport networks are classified as International/ National networks and City/ Regional networks. The Government will take the lead in generating options for the national and international networks. Regional bodies and local transport authorities will generate options for city and regional networks.

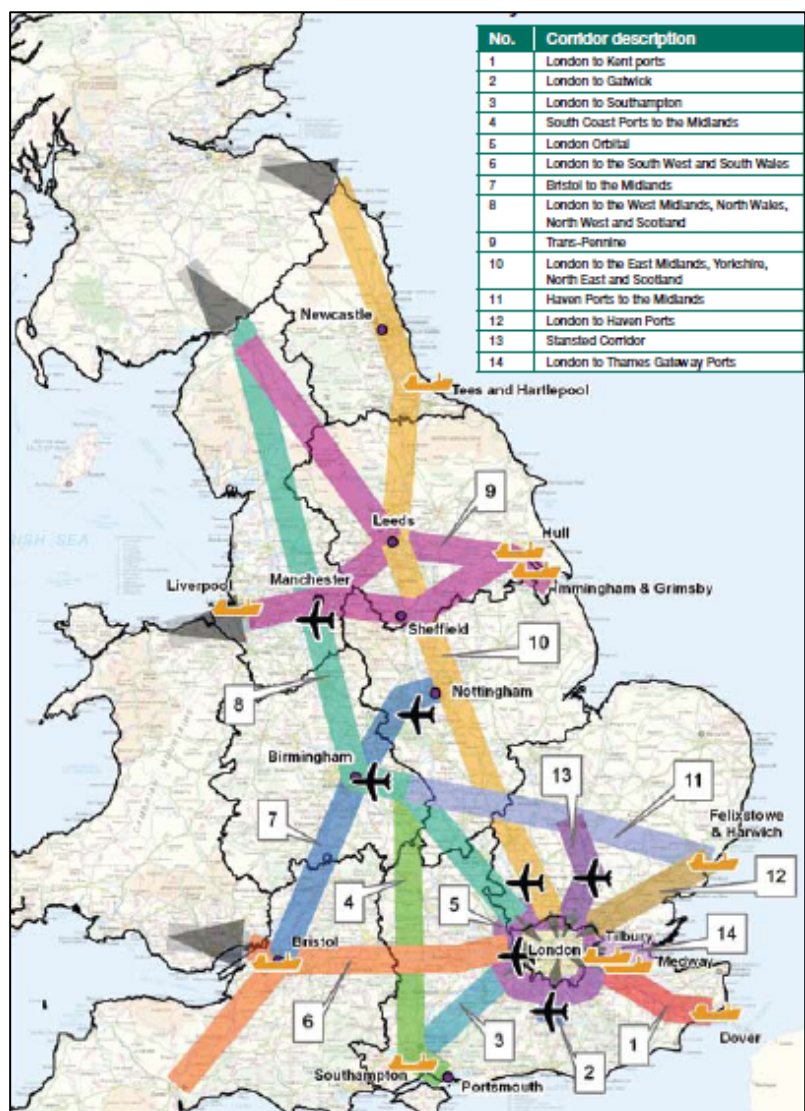
14 strategic corridors are identified (as shown on the attached map) and includes locally:

- London to Southampton
- South coast ports to the Midlands

A key role for Network Rail and Highways Agency is outlined for this work, with the aim of improving end-to-end journey time reliability. There will be opportunity for local authorities to be involved.

The intention is to focus option generation on the 14 strategic national corridors, looking **across all modes**.

For city and regional networks, each region will need to work with local authorities, and make use of local and regional analysis and modelling, to provide an agreed assessment of problems and possible interventions. The transport strategy planning process will build on the partnerships and methodologies that have already been developed for Regional Funding Allocations (RFAs).



5.4 Delivering a Sustainable Transport System: The Logistics Perspective

This policy document to accompany the main DaSTS report was published in December 2008. It states that the DfT's focus is on the outcomes that arise from freight transport. It is concerned to ensure that freight is able to move as efficiently as possible, reducing costs to business and consumers, and also to see its impacts on others (for example in terms of safety, climate change and quality of life) maintained at an appropriate level. These objectives are not necessarily mutually exclusive, but they do sometimes demand choice or compromise.

The main levers that the DfT uses to influence these outcomes are:

- investment in network infrastructure and technology (generally benefiting both passengers and freight);
- managing networks in a different way so as to improve capacity of traffic within existing facilities;
- regulatory changes – such as limited changes to the dimensions of vehicles;
- adapting our strategy for ensuring compliance with regulations – perhaps through revisions to levels of, and relative priorities for, enforcement;
- adapting the coverage of logistics issues in National Policy Statements, in order to influence the configuration of supply chains;
- providing modal shift grant funding in a more targeted manner so that schemes which benefit a particular part of the network are prioritised and adapting the level of funding to meet overall needs; and
- the introduction of new areas of best practice, either alongside or as part of the Freight Best Practice scheme.

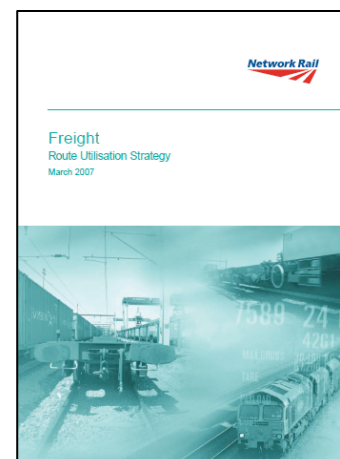
The document pledges to carry out a market study of the potential benefits and impacts of extending the length of articulated HGVs by up to 2.05m – to inform a decision on whether to increase vehicle trailer dimensions.

5.5 Rail Freight Policy

The Rail White Paper *Delivering a Sustainable Railway*, published in July 2007, sets a short term strategy to tackle capacity bottlenecks at some locations such as Birmingham, Reading, Leeds and Manchester over the five year period up to 2014. It sets a target to double the amount of passengers and freight carried on rail over the next 30 years. It also looks further forward, and outlines the need for planning and investment over a 30 year period to tackle further capacity constraints that are likely to emerge as a result of future growth. The majority of the document relates to provision of additional passenger capacity. However, the DfT commits to an investment of £200million towards the development of a strategic rail freight network. The definition of this network will help to address the tensions between passenger and freight train operations.

5.5.1 Network Rail Freight Route Utilisation Strategy (RUS)

The Freight RUS, published in March 2007 provides a detailed analysis of freight issues, requirements and proposals for accommodating growth and changes in current demand on the network. Rail freight operators are bullish about prospects for increasing tonnages. Forecasts suggest that container traffic passing through the UK ports such as Southampton, could double by 2030. The RUS sets out the corridors where freight volumes are expected to increase and identifies where additional capacity will be needed.

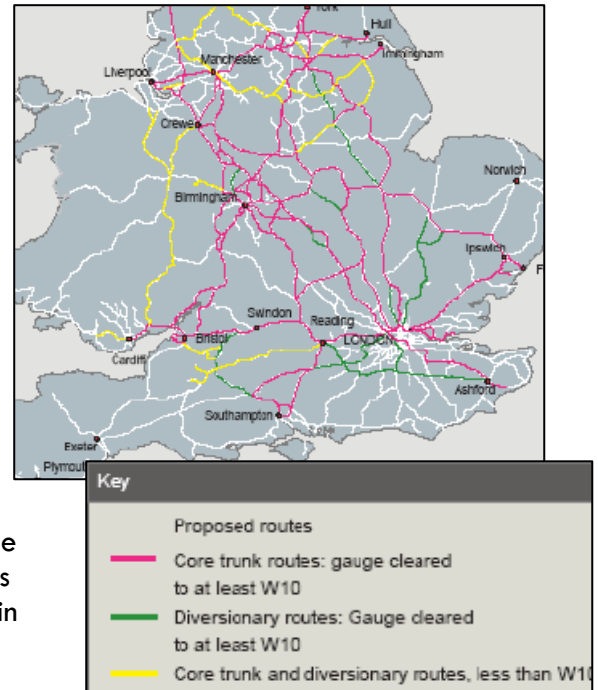


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5.5.2 Network Rail Strategic Freight Network (SFN)

This document was published in April 2008. The SFN would both complement, and be integrated with, the existing rail network. It will provide an enhanced core trunk network capable of accommodating more and longer freight trains, with a selective ability to handle wagons with higher axle loads and greater loading gauge. The Southampton to West Midlands corridor forms part of the SFN. The SFN would look to enhance the gauge on a diversionary route via Salisbury, to provide an alternative route in the event of engineering works or severe disruption on the Southampton to Basingstoke corridor. This would give the opportunity for improved seven-day a week and all year round route availability, allowing more freight trains to run at weekends. The map to the right shows the extent of the Strategic Freight Network, with core routes shown in pink and proposed diversionary routes shown in green.



5.6 Maritime Freight Policies

The *Integrated Transport White Paper, A New Deal for Transport (1998)*, published in July 1998, set four broad aims for shipping:

- encouraging shipping as environmentally friendly transport;
- fostering an efficient UK shipping industry;
- maintaining the skills base by promoting employment and training; and,
- encouraging UK ship registration.

5.6.1 Modern Ports

In November 2000, the government published *Modern Ports*, the first statement of ports policy for almost 30 years. The document supports policies for ports which promote:

- UK and regional competitiveness;
- high nationally agreed safety standards;
- the best environmental practice;

and seek to achieve the following objectives:

- to make regulation add value rather than unnecessary cost, ensuring that different regulators coordinate their overall demands;
- to promote agreed national standards and good practice for port management and port operations alike, without detracting from the legal responsibilities of harbour authorities and other port interests;
- to promote training and the recognition of skills for those who work in the ports industry at all levels not just those engaged by harbour authorities;
- to maintain a balanced policy on development which aims to make the best use of existing and former operational land, secures high environmental standards, but supports sustainable projects for which there is a clear need.

The following policies are of particular relevance for local transport authorities through their LTPs:

Policy Theme	Detail
<i>Roads to Ports</i> – Freight operators using roads to connect with ports need three things: (i) good access to port facilities, (ii) clear connections from the port to the main road network; and (iii) good access through the network to and from their businesses and markets.	“Growing ports must work with local authorities to ensure sufficient capacity and traffic flows.”
<i>Ports and Local Authorities</i>	“Local authorities and ports industry share interests in the regeneration and growth of the local economy, integrated transport, sustainable distribution and the environment. They should consult and co-operate on their plans.”

5.6.2 Interim Ports Review (2007)

This interim review of the 2001 Ports Policy restated the Government view that commercial port operators are best-placed to make decisions about where and when to invest in the port sector. The document recommends the use of Master Plans by major ports to improve planning. It also sets out broad guidelines on the safeguarding of port land. It sets out the DfT’s approach towards modernisation of trust ports, and plans to enhance the port safety regime.

The review stated that the availability of sufficient port capacity is a potentially significant constraint on future economic growth. It went on to suggest that congestion on port access routes and the wider inter-urban network, is already a problem in the South East of England, and this could act as an additional constraint.

The policy approach taken on environmental issues is that port development should not cause any unacceptable harm to the environment or human health, and that where there are significant adverse impacts, all reasonable steps should be taken to minimise them.

5.7 Freight Grants

The following grants are available from Government, to encourage modal shift of freight from road to rail or water where this would otherwise not be commercially viable:

Freight Facilities Grant scheme (FFG): helps offset the capital cost of providing rail and water freight handling facilities. These grants provide matched funding for small-scale infrastructure projects that have the potential to deliver modal shift from road to rail or water. In effect, the scheme is used to buy the removal of lorries from the road system.

Rail Environmental Benefit Procurement Scheme (REPS): assists companies with the operating costs associated with running rail freight transport instead of road (where rail is more expensive than road). REPS operates in two parts:

- i) REPS (Intermodal) for the purchase of intermodal container movements by rail
- ii) REPS (Bulk) for the purchase of other freight traffic movements by rail

Waterborne Freight Grant scheme (WFG): assists companies with the operating costs, for up to three years, associated with running water freight transport instead of road (where water is more expensive than road).

5.8 Land Use Planning

Land-use planning can have a significant impact on distribution, through policies and decisions on patterns of development and transport infrastructure.

5.8.1 PPG13: Transport

According to *Planning Policy Guidance Note 13 (2000)*, in preparing their development plans and in determining planning applications, local authorities should:

- where possible, locate developments generating substantial freight movements such as distribution and warehousing, particularly of bulk goods, away from congested central areas and residential areas;
- encourage development which is, or can realistically be, served by rail or water and development with good (though where possible indirect) access to trunk roads and allocate appropriate sites;
- promote sustainable distribution in developments and related uses which generate freight, looking at aspects such as design, scale and location, taking account of guidance in regional transport strategies on freight terminals, in particular multi-modal terminals;
- identify and where appropriate protect sites and routes, both existing and potential, which could be critical in developing infrastructure to widen choices for both freight and passengers (such as interchange facilities allowing road to rail transfer or for water transport) and ensure that any such disused transport sites and routes are not unnecessarily severed by new buildings and non transport land uses;
- on disused transport sites consider uses related to sustainable transport first, before other uses; and
- identify and where appropriate protect realistic opportunities for rail or waterway connections to existing manufacturing, distribution and warehousing sites adjacent or close to the rail network, waterways or coastal/estuary ports.

5.8.2 The Planning Act 2008 – enabled the establishment of an Infrastructure Planning Commission to deal with planning applications for infrastructure projects of national importance. The IPC is in the process of being set up and will be ready to consider applications in 2010.

In terms of freight, the IPC will in future consider major port facilities expansions, and large rail-road intermodal terminals.

The Government has made a commitment to produce a series of National Policy Statements (NPS) to set out policies on a range of topics which will set out the relevant environmental, economic and social considerations that promoters of nationally important infrastructure will need to take into account when submitting planning applications to the IPC. These NPSs will be subject to public consultation and to Parliamentary scrutiny. An NPS on Ports is due to be published by the DfT in summer 2009.

6. Regional Governance & Freight Policy

6.1 Regional Governance system

The urban South Hampshire sub-region is part of the region of South-East England and comes under the administrative control of the Local Government Office for the South-East (GOSE). GOSE works with organisations across the South East to deliver the Government's policies and programmes in the region. The South East England Partnership Board (SEEPB), formed in April 2009 is a partnership of the South East England Development Agency (SEEDA) and local council leaders. It is responsible for regional planning policy and for setting the strategic investment framework for future major investment on transport and housing, through its Regional Transport Board and Regional Housing Board. South East England Development Agency (SEEDA) is responsible for the sustainable economic development and regeneration of the South East of England. SEEPB works closely with GOSE and other bodies to ensure the South East remains a successful and prosperous region.

In May 2009, the Secretary of State for Communities and Local Government published the South East Plan – which forms the Regional Spatial Strategy for the South East region. This key regional planning document contains a number of policies pertaining to freight, which must inform local transport and spatial planning policies and strategies. The South East Plan designates 22 large urban areas as regional hubs. Within Urban South Hampshire the cities of Southampton and Portsmouth have been designated as regional hubs. The Plan set targets for the quantity of provision of new housing up to 2026 in each local authority area and targets for numbers of new jobs to be created by sub-region. New housing and employment sites will generate additional demand for movement of people and goods, impacting on the freight sector.

6.2 Regional Transport Strategy

The Regional Transport Strategy (RTS) forms part of the South East Plan. The RTS identifies five key challenges faced by the region's transport system:

- i. to provide consistently good access between the United Kingdom and the world through gateway ports and airports
- ii. to maintain high quality radial connectivity to London, and develop orbital routes around London
- iii. to deliver transport measures which address severe deprivation
- iv. to address unpredictable journeys in buoyant areas
- v. to reduce the impact of the transport system on the environment.

The vision of the RTS is as follows:

"Our vision is a high quality transport system to act as a catalyst for continued economic growth and provide for an improved quality of life for all in a sustainable and socially inclusive manner; a regional transport system that progressively reaches the standard of the best in North West Europe."

Translating this vision into a set of regionally specific objectives that integrate spatial and transportation planning at the regional level, the RTS seeks:

- i. to facilitate urban renaissance and foster social inclusion by re-balancing the structure and use of the transport system. In particular, bringing forward measures that encourage modal shift to more sustainable modes and significantly improve the attractiveness of local public transport services, walking and cycling;
- ii. to reduce the wider environmental, health and community impact associated with the transport system, by bringing forward management measures that reduce our reliance on single occupancy car use

- iii. to maintain the existing transport infrastructure as an asset
- iv. to develop road and rail links that improve inter and intra-regional connectivity
- v. to improve and develop transport connections to the region's international gateways (ports, airports and international rail stations)
- vi. to improve transport management and infrastructure within and to the Thames Gateway to maximise regeneration potential and encourage economic potential
- vii. to support economic regeneration in East Kent through investment in improved accessibility
- viii. to take forward transport management and infrastructure proposals required to support development in the Growth Areas of Milton Keynes and Aylesbury Vale, Ashford and the designated new growth points
- ix. to improve road and rail links along the South Coast to improve spatial connectivity and realise economic opportunities to reduce disparities within the region
- x. to improve strategic road and rail links within and to the Western Corridor and Blackwater Valley to maintain economic success.

The transport strategy and policies are focused on a set of core principles:

- i. managing and investing
- ii. mobility management
- iii. road pricing and charging
- iv. communications technology
- v. the rural dimension
- vi. regional hubs and spokes
- vii. the gateways, airports and ports
- viii. freight.

Five of the 14 policies in the RTS relate to freight, these are reproduced in the box below:

Regional Transport Strategy policies that relate to freight:

POLICY T8: REGIONAL SPOKES – regional spokes are the transport links (road and rail) that allow access between regional hubs and international gateways. One element of this policy states that regional strategies, local development documents and local transport plans should look to support and develop the role of regional spokes by improving access to international gateways.

POLICY T10: PORTS AND SHORT SEA SHIPPING - relevant regional strategies, Local Development Documents and Local Transport Plans will include policies and proposals for infrastructure that maintains and enhances the role of the following ports:

- i. gateway ports – **Southampton**, Dover, **Portsmouth**, Medway (Sheerness), Medway (Thamesport) and Port of London
- ii. regionally significant ports – Newhaven, Ramsgate and Shoreham.

The major ports should give priority to the preparation of port masterplans as a means of identifying future infrastructure requirements. Encouragement should be given to investment in infrastructure that supports short sea shipping connections linking the region into the wider European network via these ports.

POLICY T11: RAIL FREIGHT - the railway system should be developed to carry an increasing share of freight movements. Priority should be given in other relevant regional strategies, local development documents, and local transport plans, providing enhanced capacity for the movement of freight by rail on the following corridors:

- i. Southampton to West Midlands
- ii. Dover/Channel Tunnel to and through/around London
- iii. Great Western Main Line
- iv. Portsmouth to Southampton/West Midlands.

POLICY T12: FREIGHT AND SITE SAFEGUARDING – relevant regional strategies, local development documents and local transport plans should include policies and proposals that:

- i. safeguard wharves, depots and other sites that are, or could be, critical in developing the capability of the transport system to move freight, particularly by rail or water
- ii. safeguard and promote sites adjacent to railways, ports and rivers for developments, particularly new intermodal facilities and rail related industry and warehousing, that are likely to maximise freight movement by rail or water
- iii. encourage development with a high generation of freight and/or commercial movements to be located close to intermodal facilities, rail freight facilities, or ports and wharves.

POLICY T13: INTERMODAL INTERCHANGES - the regional planning body should work jointly with DfT Rail, Network Rail, the Highways Agency, the Freight Transport Association and local authorities to identify broad locations within the region for up to three inter-modal interchange facilities. These facilities should have the potential to deliver modal shift and be well related to:

- i. rail and road corridors capable of accommodating the anticipated level of freight movements
- ii. the proposed markets
- iii. London.

The supporting text to Policy T10 states that the port of Southampton is recognised as a major international deep-sea port with significant global and economic importance, and its infrastructure and development needs, both short and long term, require further consideration.

6.3 Regional Economic Strategy

SEEDA have produced the South East **Regional Economic Strategy** (RES) covering the period 2006-2016, a key policy document setting out how it intends to work to encourage economic development and regeneration across the region.

The strategy identifies that the coastal South East has low productivity relative to the rest of the South East and, in some cases, the UK and generally lower economic activity and employment rates. There is a need for skills-led growth and innovation. One of the nine key priorities for the Coastal South East identified in the RES is the need to:

“Invest in the long-term sustainable growth of key ports, particularly the major ports of Southampton, Portsmouth, Dover and Thamesport, and explore future prospects for smaller ports such as Shoreham and Newhaven.”

The RES sets out SEEDA’s aspirations to secure the infrastructure needed to maintain international economic competitiveness. It sees the planned rail gauge enhancement on the Southampton docks to West Midlands freight corridor (the “SMART” Project) as a key component of maintaining economic competitiveness.

The RES recognises that tackling congestion will be a major challenge. It is recognised that the continued economic viability of the South East region is under threat from the impact of growing traffic congestion. It is expected that traffic will increase by 3% over the national average, and for road freight to double by 2031. Part of the evidence base for the RTS suggests that the A34 and M3 corridor in South Hampshire is forecast to experience HGV traffic growth by 2015 of 150,000 to 200,000 extra HGV movements per annum owing to Southampton Port.

The RES also suggests that connectivity needs to be improved along the south coast itself and with key hinterlands and London. The region is not securing the full benefits of its relationship with the capital and its role as a gateway to Europe.

7. Freight Policy in Urban South Hampshire

7.1 Freight Routing Strategy and Lorry Policy Document

In 1992, a Freight Routing Map for Hampshire was produced, representing the first move towards a freight strategy. Eight policies relating to lorries were adopted. In recognition of the fact that long period of time has elapsed since 1992, and freight and lorry operations are very different today only a passing reference is made here to this document.

7.2 Countywide Freight Quality Partnership (2000)

Hampshire County Council established one of the very first Freight Quality Partnerships (FQP), with the signing of the Hampshire FQP on 13 January 2000, in association with the Freight Transport Association and Hampshire Economic Partnership. The Hampshire FQP identified eight areas of work required:

Strategies of the Hampshire Freight Quality Partnership

- **Strategic routing (1)**
Work with neighbouring highway authorities and the Highways Agency will be carried out to develop a strategic routing strategy for heavy commercial vehicles e.g. routes to the motorway network.
- **Optimising the existing networks (2)**
The County Council has been liaising with the Highways Agency and adjacent local highway authorities on opportunities to improve management of the main road network to benefit freight movement and minimise the incidence of lorries using unsuitable roads.
- **Freight Quality Partnerships (FQPs) (3)**
FQPs to be developed through Hampshire's area transport strategies.
- **Delivering the Goods (4)**
The County Council will work closely with the Freight Transport Association and others in developing such initiatives to improve efficiency, reduce environmental impact and maintain the economic viability of its retailers and other businesses.
- **Intermodal integration (5)**
The County Council will continue to work with freight operators, Railtrack and local planning authorities to explore the opportunities for transferring freight from road to rail including assessment of the opportunities for new railheads and more productive use of existing railway land, including provision of strategic distribution centres. Where appropriate, applications for Freight Facilities Grants will be supported.
- **Use of water-based transport (6)**
The opportunities for using water based transport modes, particularly coastal shipping will be explored where clear benefits can be established without undue environmental disbenefits.
- **Safety initiatives (7)**
The need for safety considerations in all forms of transport is paramount and safety will form an integral part of all freight improvement schemes. Specific measures will also be taken where particular problems with the movement of heavy commercial vehicles are identified.
- **Minimise the use of unsuitable roads (8)**
The adverse environmental impact of heavy goods vehicles often gives rise to concerns from residents in both urban and rural situations. By a careful balance of controls and incentives to use suitable routes, the County Council will work with operators and their associations to minimise the use of unsuitable roads, particularly in residential areas and on rural lanes, by heavy commercial vehicles.

7.3 Solent Transport Strategy (common to HCC, Southampton & Portsmouth City Councils)

The Solent Transport Strategy sets out a shared strategy to tackle transport issues and problems within urban South Hampshire, incorporating the cities of Southampton and Portsmouth. The sections of the strategy relevant to freight identify the following key issues:

- the Solent Transport partnership will seek to develop an integrated and seamless transport system for the sub-region that is affordable, reliable, safe and efficient that provide a transport system that is attractive to passengers and freight operators.
- A number of schemes are being developed in the Solent authorities LTPs to provide better access to the ports, for example measures to improve the approach to Dock Gate 4 in Southampton, better links between Dock Gate 20 and the M27 and developing a rail freight terminal at Fratton, to service Portsmouth and its port (now opened). The Partnership arrangement with Solent Transport will be used to influence appropriate stakeholders where improvements lie outside the remit of the Solent LTP authorities.
- The need for funding to be secured to enhance the rail gauge on the Southampton to West Midlands corridor, enabling rail to accommodate the growing proportion of 9'6" hi-cube containers, to ensure that the modal share of port container traffic of 30% for rail can be retained and enhanced.
- The three authorities will support growth of the two ports because this will facilitate economic growth
- The three authorities will continue to work with the port operators and the freight industry to encourage modal shift from road to rail.

7.4 Hampshire Local Transport Plan 2 - 2006/07-2010/11

The Hampshire LTP2 section on freight distribution identifies the following key issues:

- That the efficient movement of freight is crucially important to the economic vitality and competitiveness of the ports of Southampton and Portsmouth and the various distribution, manufacturing and service industries within the county. Rail can play a key role accommodating this demand and reducing the impacts of HGVs on the road network. Southampton has the benefit of rail freight container loading terminals close to the dock areas.
- That there is a need to manage (within the available powers of the County Council) the impact of HGVs on communities and residential areas. HGVs raise concerns about the use of unsuitable local roads in response to increasing traffic flows and congestion. Traffic management measures will help to protect sensitive areas.
- The need to work in partnership with freight and port operators to secure investment for improvements to national networks, both road and rail, with particular emphasis on the routes to the Midlands and the North through the A34 corridor, as well as gauge improvements both locally and elsewhere, which will encourage the use of rail for freight.
- The County Council will carry out a review of the strategic road network in consultation with freight interests, develop measures to increase journey reliability through improved management of the networks using real-time management systems and to identify key locations for investment. This review will also serve to identify rural and local roads that may be vulnerable to inappropriate use.
- Where possible the use of rail rather than road will be encouraged for freight movements

The Hampshire LTP2 also contains a Hampshire Rail Strategy as an appendix. This identifies the following issues relating to freight:

- For freight, the vision is of rail being used to its maximum capability on container flows from Southampton and for the conveyance of block loads of suitable commodities. The aim is to divert additional HGV traffic from the roads to achieve environmental benefits in terms of reducing congestion and pollution.
- There is a need to ensure the effects of any proposed change in passenger services do not have an adverse effect on existing or potential freight capacity.
- The County Council will lobby for enhancement of rail infrastructure on the Alton line west of Farnham. This is currently a single track with a passing loop at Bentley. Upgrading would improve train performance and punctuality and provide capacity for additional freight movements to Holybourne sidings, including possible future flows connected with the Major waste Recycling Facility (MRF) there.

7.5 Southampton Local Transport Plan 2 - 2006/07-2010/11

The Southampton LTP2 raises the following issues relevant to freight distribution:

- Southampton City Council will seek to ensure that sustainable distribution is promoted, which will include careful consideration of planning decisions for facilities, both with regard to their accessibility to the areas they serve and their links to the strategic transport. This will include supporting trans-shipment depots and use of short sea shipping for port feeder services, removing some journeys from the strategic traffic routes in the City and sub-region.
- The Port of Southampton is of vital importance to the economy of the city and the South Hampshire sub region;
- Many jobs are directly dependent on freight handling and distribution, so that facilitating ease of freight movement is a significant transport objective;
- Good road connections to the port are vital, particularly to Dock Gates 4 and 20. Current access to Dock Gate 4 (the Eastern Docks entrance) has been identified as being in need of improvement, due to adverse environmental impacts of traffic accessing these docks via the A33;
- The SMART rail gauge enhancement project is essential if the Port is to fulfil its role as an International Gateway as outlined in the Regional Transport Strategy (RTS);
- During the LTP2 period, there will also be a need to improve facilities around Millbrook Roundabout at the entrance to Dock Gate 20 (the main entry point for the container port) which is likely to be associated with development of the site immediately adjacent to the roundabout, from which a significant contribution would be sought;
- At a more local level, freight is also an issue, but more in terms of the disruptive impact that deliveries can have on traffic flow, coupled with an increase in the use of larger delivery vehicles making multi-drop runs. These can cause significant problems in district and local centres as deliveries through the fronts of stores lead to HGV's being parked in positions that impair traffic flow resulting in general congestion and consequent delays to public transport.

7.6 Portsmouth Local Transport Plan 2 - 2006/07-2010/11

The Portsmouth LTP2 raises the following issues relevant to freight distribution:

- Portsmouth's roads experience a high proportion of HGV movements particularly associated with the Continental Ferry Port (CFP) and ferries to the Isle of Wight. In addition there are the more usual deliveries to retail centres and activity associated with industrial areas;
- Congestion has an impact on and is impacted upon by lorry movements. Lorry operators are affected commercially by delays brought about by congestion, but can be part of

the problem. This is true where the road network does not allow overtaking opportunities of slow moving vehicles.

- The unpredictable nature of congestion has an affect on the ability of operators providing a consistent service to customers and suppliers. This is particularly important for freight operators who use the CFP, who require timely arrival for ferry services to the Continent.
- Policies include Freight Quality Partnerships (FQPs) there are a number of opportunities of improving freight access in Portsmouth, through the close relationship with the CFP and development proposals such as the Northern Quarter redevelopment. Such an FQP once established can consider signing and access requirements, the particular requirements of the Port and address noise and emissions from HGV movements.
- Improved access arrangements will include the Trafalgar Gate Link Road access to the Naval Dockyard, and access along Prospect Road. The new Inter-modal freight railhead at Fratton will help reduce the number of movements associated with the CFP.

7.7 Isle of Wight Local Transport Plan 2 - 2006/07-2010/11

The Isle of Wight LTP2 raises a number of issues relevant to freight distribution that have been reproduced in the box below:

Cross Border Issues: Freight Access to the Isle of Wight

The Isle of Wight Council recognise the importance of maintaining and improving links to and from the Island. The Council's second Local Transport Plan (LTP2) makes reference to freight in three sections:

- Section B12 "The Solent Transport Area" – states "nearly all the goods and services that arrive on the Island are transported through Hampshire and the Solent Transport Area to ports at Portsmouth, Southampton and Lymington.

- Section G.4.3 recognises that as a result of continued economic growth, the Island has seen increasing amounts of freight being moved on and off the Island by road via the roll-on, roll-off ferries. This has been mirrored by a decline in the amount of goods transferred by bulk freight transferred by coastal shipping. The Plan recognises that there is a need within the timescale of the plan to balance the requirements of business, with the increasing noise, pollution and road deterioration caused by more frequent, larger and heavier freight vehicles. Part of this approach is to reverse the decline in the transfer of bulk freight and encourage the increased use of coastal shipping.

- Section F of LTP2 sets out the Local Accessibility Action Plan for the Isle of Wight. Key to the delivery of this and identified as a second year project (2007/08) is the improvement of access for freight. To this end the Isle of Wight Council is currently working with a range of partners including freight operators, local business community, ferry operators, Members and others to better understand the needs of freight operators and where possible improve accessibility in this important area. The local Isle of Wight Freight Working Group has helped to highlight the importance of maintaining and improving local freight routes, but also the importance of good cross-Solent links to Hampshire ports and the crucial road network and transport connections beyond.



The transport delivery agency of Hampshire County Council, Portsmouth City Council,
Southampton City Council and partners

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