

Executive Summary

This study, commissioned by Transport for London, is designed to:

- Identify existing and potential sites in London for development as rail freight terminals
- Identify which of these are on rail routes that could offer additional freight paths
- Identify the type of goods each terminal could handle
- Estimate the value of the external benefits arising in each case
- Prioritise the sites, based on development cost, planning, road and rail access, and site facilities criteria
- Summarise transshipment issues for each site.

We have found that there are three different kinds of opportunity to develop rail freight terminals in London over the medium term (say 10– 20 years). These are:

- Large, new, multimodal distribution centres on the periphery of London, adjacent to the M25, as identified in the SRA's freight interchange strategy. These could be constructed on brown field sites such as ex-airfields and landfill/reclamation areas. We have identified five suitable sites.
- Medium sized, inner London freight terminals, offering a range of capabilities from basic transfer through to warehouse-based value-adding services. These could be constructed on existing rail- connected sites where current land use patterns are capable of rationalisation. We have identified 16 suitable sites.
- Smaller, single-user freight terminals, generally offering basic functions for bulk businesses and the less sophisticated forms of distribution, particularly in the construction sector, concentrating on local markets. These could be developed from terminals in current operation, to take additional rail volumes where operationally and commercially feasible, and from the development of terminals that have fallen into disuse. We have identified 18 suitable sites.

A survey of published sources and discussions with the principal railway industry organisations produced an initial list of about 130 locations with current or recent connections to the network, with potentially a freight involvement. However, elimination of locations developed for other use and those with no realistic scope for use or development as rail freight terminals, together with amalgamation of adjacent sites rapidly reduced the list to 42 sites. Even then, there is a large spectrum in terms of their potential. Contact with the planning departments of the London Boroughs and where appropriate, with those of neighbouring Counties, sought to add to that list further sites such as line side located warehouses with opportunities to connect to the rail network via private sidings. With very few exceptions, the Authorities reported no knowledge of interest in private sidings from line side businesses, or of the existence of further sites that could be developed into common user rail freight terminals. This was also the response from the railway industry organisations. The potential new sites within the total identified are

therefore limited to those in the first of the above categories and one identified by L.B. Hammersmith and Fulham.

The capacity of the rail network within London is constrained, particularly at peak periods. However, there are opportunities to increase the number of freight paths on some routes at some times of day (and night). We have used a measure of the capacity utilisation of each of the relevant routes serving the terminals discussed to identify this scope at a generic level. The specific pathing of particular trains will require more bespoke analysis at the time. The effects of other pressures on the network, not least from Metro service aspirations, will need to be considered in that context. The results of this analysis show that there remains a high level of capacity to run additional freight trains during the night (subject to engineering requirements) more limited and varying capacity during most of the day and almost no additional capacity during the morning and evening peak periods. Further pressures on the current levels of capacity may arise from new schemes such as TfL's proposals for metro style higher frequency passenger services.

The range of goods capable of being handled at each of the terminal is a function of its size and facilities. The potential 'outer ring' multimodal terminals would be capable of offering the whole range of distribution facilities, and therefore cater for high value 'fast moving consumer goods' in containerised/unitised form for the domestic and international market, as well as specialist services for commodities with bespoke handling requirements such as car distribution or temperature controlled products. Businesses attracted to the sites as part of the commercial underpinning of these enterprises will themselves help shape the mix of value-adding facilities at the rail terminal.

Although not primarily bulk product based, the size of the sites would also allow terminals operations for some of rail's traditional market segments, including storage of bulk products for secondary distribution.

The inner ring of sites are more land constrained than the outer sites, but have been selected as also affording the opportunity to build modern warehouse-based distribution facilities. They include some existing intermodal facilities. They include the possibility of site consolidation and redevelopment to permit a wide range of distribution services to be offered.

The bespoke terminals are suitable for bulk products, construction materials and commodities that do not require sophisticated treatment or very heavy lifts.

External benefits have been assessed on the basis of the SRA SLM values, as per their 2004 recalibration by the DfT. These represent the value of the total social and environmental external benefits arising from the transfer of freight from road to rail. The values are split between different classes of road so we have been able to derive an approximate value for the terminals based on assumptions about the likely throughput and origins/destinations of the traffics. The major benefits to society are associated with flows to and from the outer ring terminals simply because they will deal with the highest traffic volumes. Much of this benefit accrues outside London. However, the inner and bespoke terminals make a significant contribution to London's environment by taking additional traffic off some of the most congested roads of the capital.

The Boroughs and adjacent Authorities were particularly helpful in providing input to the study in respect of the planning and local environmental considerations for each site. We have therefore been able to form an appreciation of the specific road access and other planning issues, including those relating to transshipment and hours of operation. For several of the sites on the list of 50 these issues are critical. For instance, a realistic view has been taken about the prospects of obtaining planning consent for new, large scale, road and rail freight operations in areas of dense housing and possibly with poor access.

Taking all of the data on the sites, their facilities, planning constraints, road and rail access and capacity and potential site development costs, we have modelled the potential for each location and produced a ranking within each of the three types. The resultant hierarchy can be used as a flexible tool for strategic planning, as the loss of a particular site (e.g. to development) would not invalidate its utility. Similarly, should the assumed inputs change, it may be updated with the new data to produce a revised hierarchy.

Our recommendations are that TfL:

- Follows up this broad survey of the available sites and their relative merits with a more detailed assessment of the most promising sites.
- Researches customer demand for the use of rail freight terminals in London, and which sites in particular would prove the most attractive to the market
- Considers what it could do to promote the development and use of the large distribution sites and the retention of the smaller sites identified in this report
- Maintains a dialogue with the SRA, which has begun a similar exercise to identify London sites as part of its freight strategy
- Considers how best to work with the Boroughs to establish a London wide planning focus for rail freight terminals.