



West Midlands
Interchange

Four Ashes Ltd

1 Scope of Statement of Common Ground

This Statement of Common Ground is made between Four Ashes Ltd and Network Rail in relation to the application for development consent for the proposed West Midlands Interchange (Four Ashes) Strategic Rail Freight Interchange (SRFI).

2 Relevant Background Documents

Relevant background documents comprise:

Department for Transport (DfT) National Policy Statement for National Networks 2014

DfT Supplement to the October 2013 Strategic Case for HS2 2015

Network Rail Freight Market Study 2013

Network Rail Freight Network Study 2016

Network Rail Freight & National Passenger Operators Route Strategic Plan February 2018

Document 2.14 - Rail General Arrangement Drawings

Document 2.15 A and 2.15 B – Rail Terminal Drawings

Document 2.16 A- E – Rail Sections

Document 2.17, 2.18 A to D – Bridge plans

Document 7.3 – Rail Operations Report

Remediation Safeguarding Report – Appendix 11.5 to Environmental Statement

3 Common Ground

3.1 Network Rail's support for rail freight growth

Network Rail has invested heavily in facilitating freight growth, and further freight enhancements are being planned and delivered currently. Network Rail sees the traffic relevant to SRFI (intermodal, conventional wagon and express) as key to bringing about freight growth and modal shift from road to rail in Great Britain, across an expanding network providing direct links between regions, deepsea and shortsea ports, mainland Europe and now as far afield as China¹.

Network Rail has a licence commitment to encourage the growth of freight. Through judicious network planning and development, Network Rail believes it should be possible to maintain growth in both sectors.

¹ The first direct freight train from China arrived in London in January 2017, covering 12,000km from Yiwu in the eastern Chinese province of Zhejiang

As part of this ongoing duty to promote greater use of the rail network, Network Rail's current long-range planning process has involved a national market study² to consider growth in rail freight over the next 30 years, followed by a national route study in 2016³ to consider options for catering for this growth in the short to medium term, alongside the parallel development of High Speed 2 (HS2). Network Rail's approach to assessing future demand, which is considered robust by government⁴, anticipates that much of the onward growth in rail freight will be from traffic passing across an expanding network of geographically and/or co-located SRFI facilities⁵.

Since 1999, successive governments have consistently reiterated the need for greater modal shift of freight from road to rail⁶. This will help to boost the economy by overcoming road congestion and making the logistics industry more productive. It will also help Britain to meet its carbon reduction targets and thus make economic growth more sustainable⁷. Network Rail is therefore working with a number of developers who are seeking to promote modal shift through SRFI developments, expanding the quantum of distribution floorspace capable of being rail-served, from its current low level of provision.

The Freight & National Passenger Operators Route Strategic Plan, submitted by Network Rail to the ORR for approval in February 2018, includes statements by Network Rail, in respect of the commitments as to the LNW Route & Freight & National Passenger Operators (FNPO) Route will work together to deal with challenges and opportunities. This includes an indicated intention to "Facilitate new terminal developments at a number of locations" including to "Facilitate new terminal developments at a number of locations including West Midlands"⁸.

3.2 Network Rail's involvement with the development

Network Rail has therefore been working with the Applicant to facilitate this new SRFI, which should help contribute to achieving these modal shift goals. The development would create potential to achieve modal shift of freight from road to rail. The development site is located on the Strategic Freight Network, the electrified W10 gauge route capable of accommodating 775m length trains. The location to the North West of Birmingham, 30 km north of Hams Hall and 80 km south of 3MG Widnes, provides a geographically optimal location for a SRFI in accommodating future intermodal traffic growth. Network Rail's infrastructure has the latent capability in terms of track, signalling and electrification to accommodate a new SRFI at this location.

3.3 Engagement with the Applicant

The Applicant first engaged with Network Rail over ten years ago. This has informed Network Rail's strategic planning and allowed some input to the proposals for the development by Network Rail at their formative stage. The proposal for the development at a site at Four Ashes has been integrated into the design of the Wolverhampton resignalling project, which was brought into use in May 2015.

The project was the subject of development work with Network Rail in 2008 and 2009, but this was wound-down in 2011 during the global economic crisis. Development work re-started in 2016, with internal assessment of the proposals undertaken by Network Rail's 'Asset Delivery Change Control Panel' and Route Investment Panel, corporate approval being a pre-requisite to progressing the Four Ashes proposal with the Applicant.

² Freight Market Study (Network Rail 2013)

³ Draft Freight Network Study (Network Rail 2016)

⁴ National Policy Statement for National Networks (NPS) (Department for Transport 2014), paragraph 2.49

⁵ Freight Market Study (Network Rail 2013), Introduction / sections 3.1 to 3.3

⁶ Sustainable Distribution: A Strategy (DfT 1999), Transport 2010, The 10 Year Plan (DfT 2000), Delivering a Sustainable Railway (DfT 2007), Strategic Freight Network: The Longer-Term Vision (DfT 2009), Logistics Growth Review (DfT 2011), NPS (DfT 2014), Rail Freight Strategy (DfT 2016)

⁷ See also Value & Importance of Rail Freight (Network Rail 2013), Keeping the lights on and the traffic moving (Rail Delivery Group 2014)

⁸ Page 121, item no.2

Prior to entering into a Basic Services Agreement with the Applicant, this corporate authority process confirmed approval to proceed and work closely with the Applicant to take the project through the initial stages of Network Rail's internal development process (GRIP)⁹.

3.4 Network Rail's infrastructure and connections to the Interchange

Network Rail contributed to Four Ashes Ltd's development of initial proposals in 2008-2009, and to the current proposal since 2016.

This is a busy 125mph section of the West Coast Main Line (the London-West Midlands-Scotland route). The route is well filled with high-value freight and passenger traffic, and the consequences of delay and disruption are significant.

Areas of discussion regarding the development have included:

Track – Network Rail has set a level of requirements for the type and location of switch and crossing units on this high-speed section to expedite the movement of trains on and off the network. It is agreed these have been incorporated into the emerging proposals for the development.

Signalling – passive provision for the development was built into the design and scope of the Wolverhampton area resignalling scheme, which was brought into use in May 2015. The signalling designer has been brought into the specification process for this proposal, and has made comments and changes which have been incorporated into the design process.

Electrification and Plant – Network Rail has explained to the Applicant the need for changes to the existing electrification equipment around the connections into the terminal. Survey work is being undertaken and the results will be incorporated into design.

Early comments from civil engineering, geotechnical, telecoms and other disciplines have been taken into account. The Applicant agrees that the emerging designs will not proceed without Network Rail's signature of 'Approval in Principle' and then 'Approval for Construction' plans.

The Applicant further agrees that protective provisions to protect Network Rail's Operational Railway will be required. The Applicant acknowledges that the line speed and intensive use of the West Coast Main Line means it is reasonable for Network Rail to refuse its consent for any powers of acquisition of any interest in Network Rail's land or possession of land over or under Network Rail's railway to be exercised by the Applicant.

There is a particular local environmental concern in relation to this site. The Four Ashes area sits in a location which has suffered serious hydrocarbon (phenols) ground pollution from the former 'Croda' chemical works east of the railway line. This has caused difficulties to a number of recent rail projects (Cross Country Route Modernisation, track switch and crossing renewals, and Wolverhampton Resignalling). Network Rail alerted these issues to Four Ashes Ltd., who are aware of the pollution and the presence of a groundwater 'plume' moving to the south west of the site. These issues are addressed in the Remediation Safeguarding Report submitted with the DCO application.

Outstanding matters

Network Rail is considering the Remediation Safeguarding Report. It needs to understand the proposed approach to containment and mitigation of pollution before breaking ground occurs. Network Rail requires to be fully protected against any liability for contamination from the development site affecting Network Rail's operational railway.

⁹ Governance for Railway Investment Projects – see <https://docs.google.com/viewer?url=https%3A%2F%2Fcdn.networkrail.co.uk%2Fwp-content%2Fuploads%2F2018%2F02%2FInvesting-in-the-Network.pdf>

The principles of track design have been discussed. The detailed design of the track layout in the area will need to be finalised further into the design stage within GRIP3 to 5, including the precise location and type of points to provide sufficient line speed for access in between the site and the main line to give a punctual exit for freight trains.

Network Rail needs to be assured of free access to the railway on both sides and each end of the site, to permit access to its operational railway for maintenance, renewals and operational response. These issues will be the subject of an agreement between Network Rail and the Applicant

In addition the removal of bridges, installation of bridges and installation of culverts under the West Coast Main Line will be the subject of agreements being first entered into by the parties to sufficiently protect Network Rail's railway and operations.

These agreements are in the course of being discussed. They include:

Asset Protection Agreement(s)

Basic Services Agreement

Implementation Agreement

Outside Party Asset Protection Agreement (relating to structures in close proximity to the railway)

Three Party Overbridge Agreement

Connection Agreement

Property easements – for

- i. Network Rail to grant the applicant rights to use a culvert structure under the West Coast Main Line; and
- ii. The Applicant and landowners to grant Network Rail access to its railway for maintenance purposes over the WMI site.

The proposed Protective Provisions are not yet agreed

Network Rail requires assurance that no powers are exercised so as to affect Network Rail's operations by a person without sufficient means to:

- (i) pay for any damage caused to Network Rail's property and operational apparatus; and/or
 - (ii) discharge any potential liabilities of Network Rail to Train Operating Companies and Freight Operating Companies
- arising from the proposed works.

3.5 On-site rail freight interchange facilities

Network Rail has had the opportunity to undertake a detailed review with the applicant of the rail facilities proposed for the development. Although most of the sidings and terminal facilities will be beyond Network Rail's network, Network Rail has a strong interest in their capability and capacity, particularly in relation to the main line connections and associated signalling, some of which will be installed within the site.

Network Rail needs an assurance of an efficient off-network operation which is needed to ensure that trains enter and leave the network at speed, and punctually. From the assumptions made by the Applicant and in the layout designs and capacity modelling done so far, Network Rail believes that the facilities being planned could have the capability and capacity to provide an efficient operation for the train numbers envisaged. This view is informed by the knowledge that:

- Train numbers will build up over a relatively long period so the mitigation for any emerging issues can be tackled at an early stage;
- Network Rail would expect to work closely with the facility operator on an ongoing basis to review joint issues of efficiency and performance;
- The facility design has included passive provision to enhance the capability of the infrastructure as and when the need emerges.

The terminal provides an opportunity for Network Rail to stable rail plant and machinery on a contract basis. Network Rail looks to the Applicant to confirm that Network Rail will have appropriate rights of access over the Development for the purposes of maintenance of its operational railway. Network Rail are seeking that such rights are provided for by agreement between the parties. Discussions on an appropriate agreement are ongoing.

3.6 Capacity of the national network

So far as Network Rail's ability to accommodate the anticipated rail traffic from the SRFI, a number of factors will apply, including:

- The particular time and day that operators bid for paths;
- The working timetable including the speed and frequency of trains on the Wolverhampton-Stafford route and beyond.
- The destinations selected;
- The match between network paths and terminal access on site and at origin / destination;
- The primary routing and acceptable alternatives;
- The type of equipment (e.g. locomotives) in use and related train speed/acceleration;
- Maintenance and project requirements.

As this is a busy high-speed line, introducing a location with trains accessing and exiting the main line network at relatively low speeds might create problems of capacity and performance. The differential between a 125mph passenger train and a heavy freight train accelerating away from low speed could create timetable risks.

Two timetable studies have been undertaken by the Applicant to assess this. The first was undertaken by Arup in 2007. The second was undertaken more recently by PRA Rail Associates in 2017. Both studies indicate that paths are available on the network at regular intervals through the day. As the proposals are progressed through the GRIP process, greater design detail and definition will be undertaken on the underpinning Timetable Planning Rules (sectional running times, headway, and junction margins), alongside the proposed Method of Working and associated track layout and signalling functionality. This will achieve the most effective means of pathing trains on and off the WCML. This will include both Network Rail and on-site signalling and interfaces

Rail freight demand through SRFI tends to grow incrementally. Because of the incremental build-up of freight movement from SRFI, whilst the ultimate capacity could not be made available from the outset (nor would it be needed), Network Rail believes that capacity can be made available for the planned growth of the development in the context of developing the rail network in line with long-term

approach to planning, which assumes the majority of new rail freight growth coming from SRFI such as this.

In the short term, judicious use of the network continues to create further capacity for new traffic, a recent joint national review involving Network Rail and train operators unlocking over 4,700 paths per week at zero cost, through measures such as better timetabling, more efficient operations and longer trains, as well as exploiting the continued move away from services for bulk commodities such as coal towards intermodal and other non-bulk traffic. 1,000 of the removed paths have been safeguarded for future strategic freight growth, which is essential to allow for expected increases in key freight markets. This provides some confidence that future traffic growth can take place without the need to always build additional capacity¹⁰.


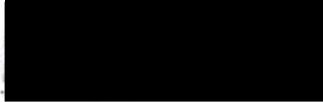
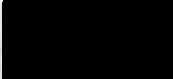
In the medium to long term through the "Strategic Freight Network" (SFN) programme, Network Rail is developing freight capacity and capability significantly during its current funding "Control Period 5" ('CP5' - 2014-2019). Through the recent Freight Network Study, Network Rail engaged with industry partners regarding their wishes for further freight enhancements during CP6 (2019-2024). This is now reflected in the Freight & National Passenger Operators Route Strategic Plan February 2018 and there is reference to West Midlands as one of the SRFI which Network Rail will help facilitate.

Future funding is yet to be determined, but the rail planning processes Network Rail now has in place create the optimum environment for continued rail freight development and growth over time. Government has reiterated support for the SFN programme, and the approach taken by Network Rail to its long-term forecasting of rail freight growth related to SRFI and other key market sectors.

Network Rail and the Applicant believe that this is due to recognition that rail freight has an important role to play in the UK economy and that continuing with investments that help its efficiency and success is good for the UK's industrial productivity, economic growth and the environment.

In the long term the projected opening of HS2 is expected to attract significant passenger demand and free up capacity for freight and passenger growth on the existing network.¹¹

The Department of Transport's longer term vision for the SFN in particular and rail freight in general sets out what government and industry expect to achieve over time.

Signed on behalf of Network Rail	 Martin Frobisher  Paul McMahon	Signed on behalf of the Applicant	 Peter Frost
Position	Route Managing Director, LNW Route Managing Director, FNPO	Position	Managing Director
Date	29.10.2018	Date	1.11.2018

¹⁰ See <https://www.networkrail.co.uk/feeds/rail-freight-industry-and-network-rail-collaborate-to-increase-railway-capacity/>

¹¹ Supplement to the October 2013 Strategic Case for HS2 (DfT November 2015), pages 5-6, 25