

Blow to net zero target as rail freight drops by 20%

Bid to cut emissions by taking cargo off Scots roads fails to achieve any growth

Multi-million pound taxpayer funded plans to increase the amount of freight transported by rail has failed to achieve any growth, with levels dropping by nearly 20%, The Herald can reveal.

The plan, outlined in 2019, was seen as a way to cut carbon emissions by taking lorries off Scotland's roads, and had a target of increasing the amount of freight by rail by 7.5% by the end of March.

It was part of a bid to help achieve a legally binding target to reach net zero by 2045, and was backed by a ringfenced £25 million rail freight fund to support its development.

This was on top of multi-million pound freight grant schemes aimed at transferring goods to sustainable modes of transport.

The industry in Scotland carries goods estimated to be worth more than £30 billion per annum, ranging from high-end whisky to produce for supermarket shelves. But The Herald can reveal that according to a tracker circulated by the transport regulator, the Office for Rail and Road, the amount of freight moved by train measured in net tonne kilometres has dropped from 220 million in the four months to March 31, 2020 to 178 million in the period this year.

The Scottish Conservatives' shadow transport minister Graham Simpson has said that both the UK and Scottish governments needed to take action to increase the amount of goods transported by rail.

Mr Simpson, who has carried out his own study over the future of freight, said the reduction in rail freight traffic shows the need for an "urgent government response".

He has called for track capacity to be improved and for new investment in freight infrastructure.

Mr Simpson said: "Governments need to do better when it comes to increasing the amount of goods moved by rail. It is all very well having lofty targets but we need better bang for our buck. The figures are not great and we need to reverse the trend."

He said that grants to support new rail freight services need to be preserved.

He added: "If we want to reach net zero and move goods around the country more efficiently, then we need to get more onto rail. While setting targets is one piece of this puzzle, the Scottish Government needs to take more strategic action to do this."

The Scottish Government's rail freight strategy saw the drive to trains as a way of keeping consumer prices lower, improving safety and reducing congestion.

It estimated that each freight train removed up to 76 heavy goods vehicles from the roads.

It said that every tonne of cargo carried by rail produced 76% less carbon dioxide than if it went by road.

The freight fund was launched five years ago by then transport secretary Michael Matheson, who said: "Rail freight services are vital to sustainable economic growth across Scotland. This fund will support the development and delivery of strategic rail freight projects which improve capacity and capability. It aims to build on and complement our existing and future investment in Scotland's railways."

Director general of the Rail Freight Group, Maggie Simpson, added: "This commitment from Scottish Government is welcome news for the rail freight industry and will allow vital upgrades to Scotland's railways, unlocking capacity and capability for new services. This is good news for freight customers, for the Scottish economy and for the environment."

In Scotland, freight traffic is concentrated in the central belt between and around Glasgow and Edinburgh.

According to analysis by consultants Transport Investment Ltd, the Scottish rail freight market was “shrinking, when it should be growing”.

It said that as of January 2024, there were 248 commercial freight trains operating weekly in Scotland or crossing the Border into England – the equivalent of 40 trains a day.

But it points out that a mid-sized country like Portugal is producing

double the number of freight trains that Scotland can produce, along with Denmark and Norway.

Its March study said there are four new rail freight terminals in Aberdeen, but two were mothballed and two were underused.

It said that rail suffers from escalating costs, “driven by high and rising wages, spiralling infrastructure costs, and restrictive working practices”.

It added: “Rail freight is one of the more dynamic and competitive parts of the UK rail industry, but is exposed to the overspill of cost inflation from the subsidised and regulated passenger and infrastructure activities. It is a measure of rail’s cost problem (and introspection) that 50 road trucks, each with their own driver, can be more cost effective than one locomotive hauling 50 containers.

“Anglo-Scottish rail freight remains a significant opportunity, because the trip distance is long enough to overcome rail’s cost handicaps and the route already has existing terminals at each end.

“The Scottish Government, Transport Scotland, Network Rail and the rail freight operators need to figure out what are the traffics and flows where rail can be truly competitive with road, and how cost-effective terminals and operating practices can be developed. Maybe then the Scottish Government can set targets that are based on funding interventions that will actually make a difference.”

Scotland’s rail freight services are serviced by freight operating companies such as DB Cargo, Great British Railfreight (GBRF), Freightliner, Colas, DRS and Varamis.

Mr Simpson said that the infrastructure for rail freight in Scotland was “insufficient” especially beyond the Central Belt.

He said achieving cross-border growth requires “available paths and track capacity on the West and East Coast Main Lines – the key rail connections between Scotland and England. He said the latter is constrained by “insufficient overhead line electrification north of Newcastle, frustrating industry desires to increase the use of electric freight traction”.

He said this would deliver better performance and lower delivery costs while supporting national decarbonisation objectives.

He said that costs such as track access charges and the price of electric traction make rail freight “prohibitively expensive for some businesses”.

Mr Simpson added: “The Scottish government should be taking a more proactive role to support and co-ordinate joint working within the rail freight sector. This should include engaging with logistics companies and operators to map out new traffics and demonstrating leadership by putting more public sector goods onto rail.”

The Scottish Government has set a new target to grow rail freight by 8.7% by 2029.

A Transport Scotland spokesman said: “Scotland has shown genuine leadership in setting out positive policies that work for the rail freight industry with our innovative growth target being one example. The vision set out in our Rail

Freight Strategy is as relevant today as it was the day we published it - a greener, competitive, sustainable rail freight sector playing an increasing role in Scotland’s economic growth.

“Since 2019, freight capacity has been improved through electrification to the Grangemouth terminal, gauge clearance on the Shotts line, new freight connections at Blackford and Dalcross, a crossover at Aberdeen Craiginches and improvements to Inverness Needlefield yard. In addition, the £25m Scottish Strategic Freight Fund has allowed us to test the infrastructure on the Highland Mainline for longer trains and to target key markets capable of modal shift. We are also continuing to work closely with the rail industry to plan the next suite of rail investments which will see improvements across the whole of the Scottish network”.

Martin Williams