

<b>Title of the measure:</b>	UK13_Freight Facilities Grant
------------------------------	-------------------------------

### **Measure completed:**

Following the outcome of the Comprehensive Spending Review (CSR) in October 2010, the Freight Facilities Grant scheme in England was officially closed in January 2011. Whilst funding will no longer be provided to new schemes, DfT will continue to monitor the performance of past schemes, with a view to ensuring the benefits as anticipated at the time of applying, are delivered.

The DfT continues to support modal shift from road to rail and water transport through the operating grants it provides through the Mode Shift Revenue Support (MSRS) and Waterborne Freight Grant schemes (WFG). Budgets for the operating grants are £19 million for 2012 to 2013 and a suggested further £19 million for both 2013 to 2014 and 2014 to 2015.

Further information on the MSRS scheme can be found at

<https://www.gov.uk/government/publications/guide-to-mode-shift-revenue-support-msrs-scheme>

### **General description**

The UK government paid a freight facilities grant for a considerable number of years to encourage the use of rail/inland waterway transport where there is worthwhile benefit to the environment through the removal of lorry traffic from sensitive stretches of road. The Railways Act 1993 extended the grant scheme so that the removal of lorry traffic from motorways and inter-urban dual carriageways could be taken into account. The facilities eligible for the grant widened to include all types of railway equipment, including locomotives.

Sending freight by rail or water can require expensive specialised equipment, which would not be needed if the goods went by road. The high capital cost involved can make rail or inland waterway transport uneconomical. By contributing to the cost of such facilities, the grant was intended to enable rail and waterways to compete in financial terms with road transport. Most facilities of a capital nature needed to handle or carry goods to be eligible for a grant. Some examples are:

- internal rail sidings;
- dedicated sections of freight only rail track;
- wharves and jetties;
- unloading equipment such as cranes and conveyors;
- rail wagons and locomotives;
- associated land and buildings;
- craft; and
- intermodal rail equipment.

The grant was discretionary and was normally up to 50% of the capital cost of freight handling facilities, although a higher amount could be considered in cases of exceptional environmental benefit and where a 50% grant would be insufficient for the project to go ahead. Environmental benefit is assessed on the basis of lorry miles saved. All companies, regardless of industrial sector, which were interested in using rail for their freight distribution needs, could apply for a grant. It was also open to private and public freight service operators and even terminal operators.

The Scottish Executive actively encourages the transfer of freight from roads onto rail and water. To this end, the Executive operated three grant schemes, with a combined budget of £44 million (over the period 1 April to 31 March 2008). The Freight Facilities Grant, Rail Environmental Benefit Procurement Scheme, and the Waterborne Freight Grant (WFG).

### ***Impact evaluation (methods and results)***

We are not aware of any evaluations of the Freight Facilities Grant scheme.

#### Methods

#### Results

<b>Ex-post evaluation</b>	1995	2000		
CO <sub>2</sub> (kt)				
Energy (TJ)				
<b>Ex-ante evaluation</b>	1995	2000	2010	2020
CO <sub>2</sub> (kt)				
Energy (TJ)				

<b>Measure Impact Level</b>		
<input checked="" type="checkbox"/> <b>low</b>	<input type="checkbox"/> <b>medium</b>	<input type="checkbox"/> <b>high</b>

#### *Definition of the qualitative impact level*

- The categories (low, medium, high) are linked to the aggregate electricity or energy consumption of the respective sector (households, transport, industry or tertiary), and not to a particular end-use, because the aggregation of the impacts is easier.
- The following limits (in each case in % of the overall final energy or electricity consumption of the sector; in case of fuel substitution and CHP: of primary energy consumption) are defined for the three impact levels:
- **low impact: <0.1%**
- **medium impact: 0.1-<0.5%**
- **high impact: ≥0.5%**

#### ***Interaction of measures***

None

#### ***Historical data***

The Department for Transport has awarded almost £3 million over the next 3 years as part of the Rail Environmental benefits Procurement Scheme (REPS). This funding, for carrying freight by rail that would otherwise be carried by roads, helped remove over 215,000 lorry journeys from the UK road network.

#### ***References***

Department for Transport

<https://www.gov.uk/government/publications/department-for-transport-delivers-more-grant-funding-to-transport-freight-by-rail>

Water Freight Grants

[http://www.freightbestpractice.org.uk/categories/3505\\_530\\_freight-grants-information.aspx](http://www.freightbestpractice.org.uk/categories/3505_530_freight-grants-information.aspx)