

Department for Transport delivers more grant funding to transfer freight off the roads

In its February 2009 allocation round for mode shift grant, the Department for Transport awarded £1.02 million over the next 2 years as part of the Rail Environmental benefits Procurement Scheme (REPS). This funding, for carrying freight by rail and water that would otherwise be carried by roads, will help remove over 48,000 lorry journeys from the UK road network. This includes provision for a potential Waterborne Freight Grant for traffic between Liverpool and Greater Manchester.

1. The new awards of Rail Environmental benefit Procurement Scheme funding have been made to:

Grant Recipient	Scheme	Traffic Flows	Contract Value (£)	
			08/09	09/10
EWS	REPS(I)	17-5	5,040	0
EWS	REPS(I)	11-1	0	52,416
EWS	REPS(I)	17-11	17,600	0
EWS	RESP(I)	2-11	1,232	0
EWS	REPS(I)	2-5	8,820	0
EWS	REPS(I)	6-8	7,945	0
EWS	REPS(I)	2-14	35,853	0
GB Railfreight	REPS(I)	2-14	12,247	0
John G Russell Ltd	REPS(I)	1-11	0	33,000
John G Russell Ltd	REPS(I)	1-11	0	53,900
John G Russell Ltd	REPS(I)	1-14	0	200,170
John G Russell Ltd	REPS(I)	1-14	0	87,750
John G Russell Ltd	REPS(I)	14-8	18,064	37,500
DRS	REPS(I)	14-8	0	89,325
Eddie Stobart Ltd	REPS(I)	8-14	0	55,548
EWS	REPS(B)	Immingham-Wolverhampton	0	49,450
EWS	REPS(B)	Portbury-Sandtoft	5,350	69,489
Kuehne & Nagel	REPS(I)	2-14	4,875	0
Freightliner	REPS(I)	2-1	4,778	3,553
Freightliner	REPS(I)	11-6	15,024	30,048
Freightliner	REPS(I)	2-5	0	18,711
SUB -TOTAL			136,828	780,860
Manchester Ship Canal Company	WFG	Liverpool-Irlam	0	98,958
TOTAL			136,828	879,818

ALSF Funding

In addition to the above awards from the Sustainable Distribution Fund, the following grants were allocated from the Aggregates Levy Sustainability Fund:

Grant Recipient	Scheme	Traffic Flows	Contract Value (£)	
			08/09	09/10
EWS(Agg)	REPS(B)	Dove Holes-Ely(Wissington)	7,094	0
EWS(Agg)	REPS(B)	Dove Holes-Ely(to Bury St Edmunds)	3,468	0
TOTAL			10,562	0

These awards would remove the equivalent of 408 lorries from the roads.

2. It should be noted that the awards listed in this table are provisional maxima. In some cases, the award may not lead to a contract; in others, the amount agreed in contract may be lower than the accepted bid. Furthermore there is no guarantee that traffic contracted in any round will continue to operate.

3. The traffic moved under each REPS contract is closely monitored. Where traffic levels have been lower than those in the grantees' contracts, reductions to the contract have been made. This process ensures the effective control of the budget and maximizes the amount of benefit that can be purchased through the scheme.

4. The Department for Transport runs three schemes that facilitate the purchase of the environmental and social benefits that result from using rail or water transport instead of road. These are:

- **Freight Facilities Grant (FFG):** helps offset the capital cost of providing rail and water freight handling facilities.
- **Rail Environmental Benefit Procurement (REPS (B) & REPS (I)):** assists companies with the operating costs associated with running rail freight transport instead of road (where rail is more expensive than road). From September 2009 this scheme has also been open to inland waterway traffic. It will be replaced from 1 April 2010 by the Mode Shift Revenue Support (MSRS) Scheme.
- **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. Applications for the Department's freight grant schemes are prioritised in a bid round process. Further details on bid rounds are available on the Department's website. Guidance and application forms are available on the Freight Best Practice website at www.freightbestpractice.org.uk

6. In addition to the above awards for Modal Shift, the Department agreed renewed funding of up to £80,000 in 2009/10 and up to £50,000 in 2010/11 to Freight by

Water, in respect of its role as UK Short-Sea Promotion Centre, to facilitate the transition to self-financing status.