

Department for Transport delivers more grant funding to transport freight by rail

In its June 2008 allocation round for mode shift grant, the Department for Transport awarded £ 1.87 million over the next 2 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, will help remove over 122,000 lorry journeys from the UK road network.

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)	2-5	26,544	36,435
EWS	REPS(I)	18-14	44,522	41,964
EWS	REPS(I)	2-14	344,344	324,324
EWS	RESP(I)	1-5	124,244	111,809
EWS	REPS(I)	17-14	234,039	274,533
EWS	REPS(I)	11-1	58,800	0
EWS	REPS(B)	Immingham-Wolverhampton	64,400	57,960
Freightliner	REPS(I)	17-13	22,541	0
Freightliner	REPS(I)	1-14	108,213	
TOTAL			1,027,647	847,025

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