Item:
9

HITRANS
THE HIGHLANDS AND ISLANDS TRANSPORT PARTNERSHIP

Report to Partnership Meeting 2 June 2015

RESEARCH AND DEVELOPMENT

INNOVATE UK – FASTRAIL Project

Purpose of Report

This report provides Members with information on the proposed FASTRAIL project-FreightArranger Applications for Smooth Transition to Rail.

Proposed project

HITRANS is involved in a bid to Innovate UK, formerly the Technology Strategy Board, in the "Enhancing Customer Experience in Rail" Competition. The total budget is £6m. The other partners are TruckTrain (Lead Partner), John G Russell, Asda, Zim UK, Unilever and the University of Hull.

The FASTRAIL Project is focussed on widening access to intermodal rail freight by making it available to potential less-than-train-load customers who are currently excluded through not having a container, both within UK and through the Channel Tunnel. Web-based backhaul opportunities for rail freight will be enabled for the first time, helping rail compete in service quality with its road competitors, increasing income and profit for the rail industry while saving CO2 and road congestion. The outcomes will be delivered by extending FreightArranger's existing digital capability as an intermodal freight platform.

The FASTRAIL Project has the power to unlock rapid growth of domestic intermodal freight by re-shaping freight movement economics in favour of rail.

The ultimate vision is collaborative logistics, beneficially empowered by the internet to bring together different providers to create new and improved freight services for multiple web-based clients. FreightArranger has already made the first steps on this journey. Rail freight is in direct competition with road (and short sea). Road is very flexible, whereas rail is impeded by a variety of constraints which have their origins in the infrastructure. In consequence, the tendency has been for rail to address large continuous freight flows.

This Project's core is about improving access to rail freight by digital means and addressing a wider more diverse customer base. In the short term, this will be achieved through making better use of the existing intermodal train capacity on domestic, Channel Tunnel and deep sea routes. Not all of these trains are full, and there is always a directional load imbalance. This is inefficient and represents an opportunity. Backhaul customers will benefit from a cheaper (one way only) and more environmentally friendly transportation; logistic providers will earn more revenue; and Network Rail will gain through higher (weight based) track access charges for the same number of train paths. Longer term, the availability of a cloud-based rail-focussed logistics system will help to encourage more train services on Channel Tunnel and domestic intermodal routes through helping to de-risk customer acquisition and providing revenue-generating backloads.

Simply stated: the FASTRAIL Project has the power to unlock rapid growth of domestic intermodal freight by re-shaping freight movement economics in favour of rail. Digital technology will be used to overcome rail service complexity and enable real-time collaboration between container owners, and rail and road hauliers.

Research is a key element of this Project: automated cloud-based software to undertake the intended functions does not exist; in advance of software development the business processes and information flows of relevant participants and potential users needs to be researched. This research will also build upon the concept of better visibility of goods leading to improved use of multimodal transport and the concept of "TrainArranger" – joining together disparate flows to create viable train services. Related to the overarching concept of The Internet of Things (IoT), the University of Hull, for example, is currently involved in InnovateUK (SISTALS) and Horizon 2020 (MassTag) bids in this area.

The export potential for use in continental Europe and the routes from there to the Far East is considerable and a natural extension of the planned through Channel Tunnel capability. We also know that FreightArranger can be used in the same way for water freight.

Budget

The proposed budget is £820815, with £520058 sought from Innovate UK. HITRANS' contribution is in kind, in time and expertise, with £13200 being sought to cover time and expenses.

Project Status

The project scored 75.4% in the qualifying round. The partners are meeting in Nottingham on 27 May to finalise the bid.

Recommendation

1. Members are asked to note the report.

Risk	Impact	Comment
RTS delivery	√	This project fits well with a number of RTS Horizontal themes.
Policy	√	This project has integration and environmental benefits.
Financial	√	This project is fully funded
Equality	-	No impact on equalities issues.

Report by: Frank Roach
Designation: Partnership Manager
Date: 25th May 2015