

Unlocking the potential of rail freight terminals

A strategic summary

July 2026



Introduction to rail freight



Port of Liverpool Rail Terminal, credit: Peel Ports

Overview

Rail freight underpins the UK economy, keeping supermarkets stocked, builders building, and medicine moving

- Rail already transports over £30 billion worth of goods annually¹, removes millions of HGV journeys from our roads, alleviates congestion and emissions, and strengthens resilience of our supply chains.
- The North of England is a freight-intensive region. Over a third of goods entering Great Britain come through Northern ports, and a quarter of all freight tonnage starts or ends in the North².

Challenge

82% of domestic freight in the UK is moved by road³.

This reliance causes congested motorways, exacerbates the over-reliance on HGV drivers of which there is a recognised shortage, and makes decarbonisation a greater challenge. Despite road-based freight issues, the volume and share of freight carried by rail has remained similar since the 1990s, carrying just 8% of all freight⁴.



Opportunity

Rail freight growth target⁶ of 75% by 2050 has been set by government.

The Future of Freight Plan⁵, published in 2022, sets the long-term vision for a multimodal, efficient freight system to boost economic growth and meet climate goals.



¹ Proud to power Freight Britain (Network Rail, 2025)

² TfN Freight and Logistics Strategy (TfN, 2022)

³ Transport statistics Great Britain (DfT, 2025) Transport Statistics Great Britain: 2024 Freight - GOV.UK

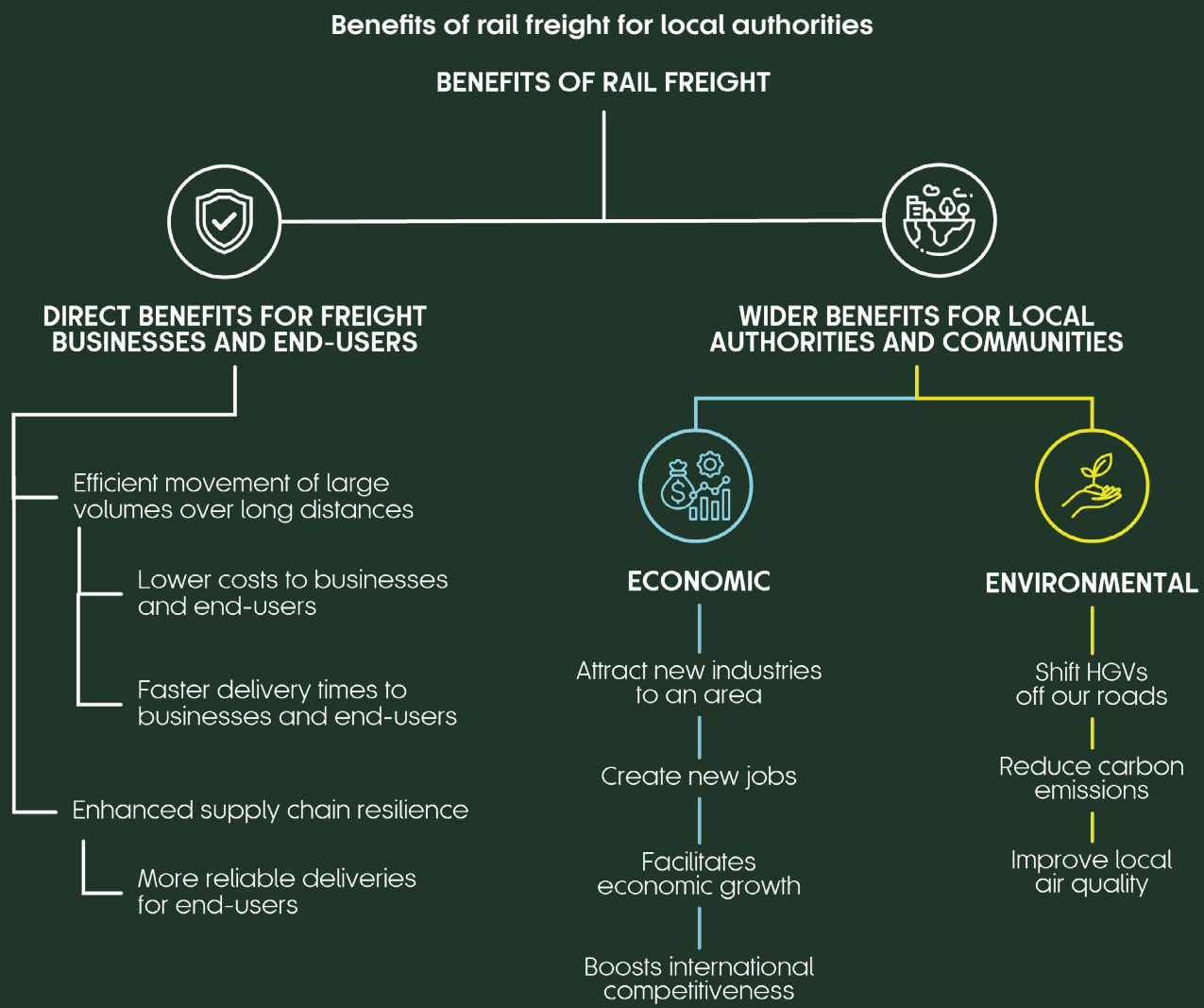
⁴ ORR freight statistics (ORR, 2024-25)

⁵ Future of Freight Plan (DfT, 2022)

⁶ Rail Freight Growth Target (DfT/GBR, 2023)

Benefits of rail freight for local authorities

A well-functioning freight and logistics system underpins local economies. Rail plays a key role by moving large volumes of goods efficiently over long distances. For local authorities and communities, this means fewer HGVs in urban centres, lower emissions, better air quality and safer streets. For local freight businesses and end users, rail freight could enable cheaper, faster and more reliable access to the goods and materials that they depend on.



5.35 million HGV journeys were avoided in 2023-24.	Rail freight contributes around £2.5bn per year to the economy, and the private sector has invested over £3bn in the last 25 years.	One jumbo daily intermodal maritime service can take 129 HGVs off the roads. A diesel freight train emits 76% less CO ₂ per tonne vs. road freight.
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WIDER BENEFITS OF RAIL FREIGHT



ECONOMIC

The pre-planning application for ILP North, a new SRFI in the region, outlines the potential for up to 6,000 new jobs with 25% of onsite jobs expected to be office and managerial roles



Source: ILP North, Tritax Big Box

Reduced shipping costs for a steel fabrication company could translate to lower construction costs for new homes.



ENVIRONMENTAL

More intermodal freight trains between Southampton and Manchester go a long way to alleviating congestion on the A34 and M6.



Source: TfN Major Roads study

A new aggregates terminal with space for concrete production which is adjacent to a major urban regeneration site could remove thousands of concrete HGVs from roads.

Rail freight plays a role in supporting construction and enabling regeneration opportunities in our cities.

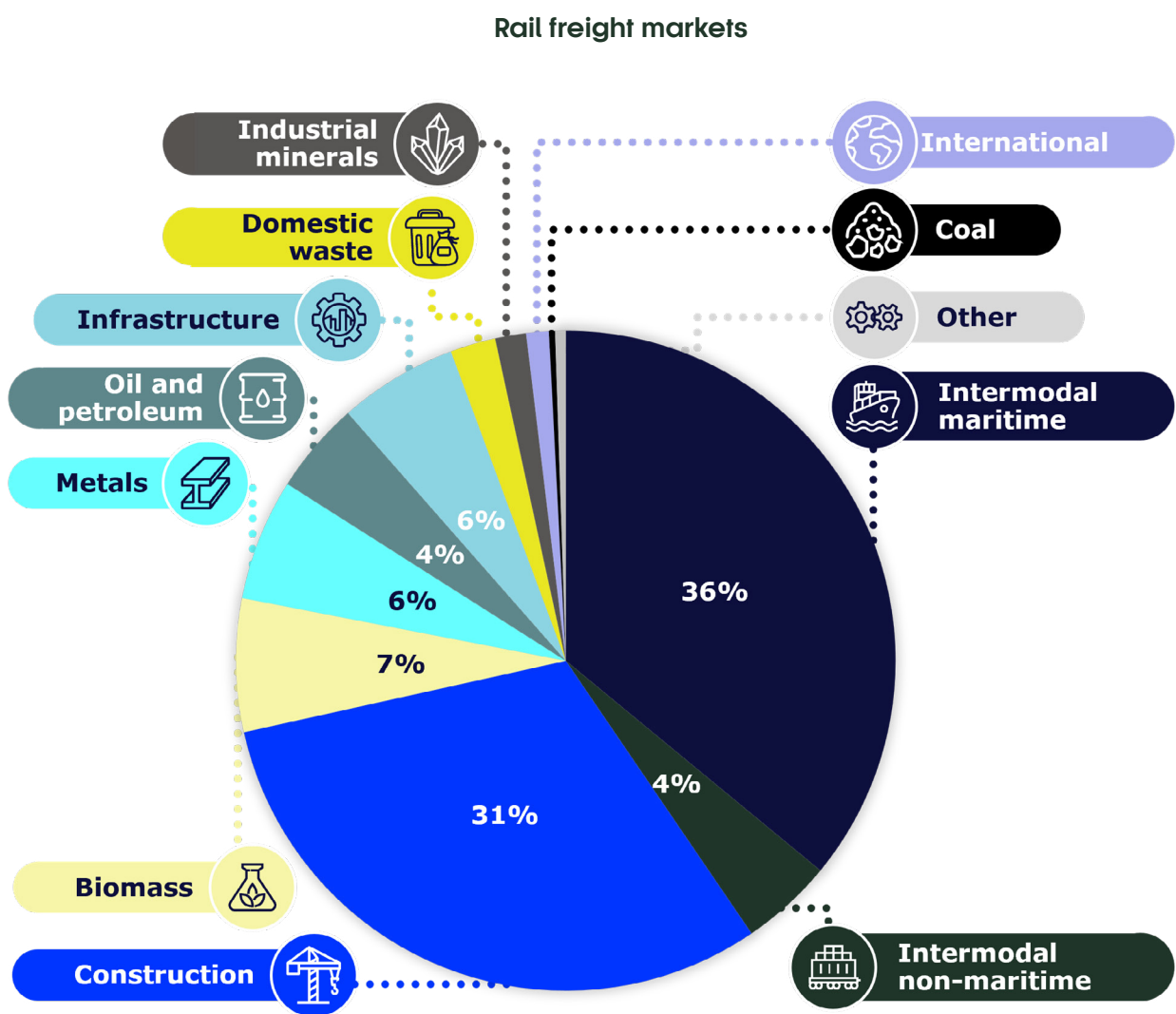


Source: Leeds City Rail Station Redevelopment, Leeds City Council

We can complement new rail freight terminals with deploying electric HGVs and LGVs for local, last-mile, deliveries and hence deliver an efficient and environmentally friendly logistics network.

Existing rail freight markets

There are around 800 return rail freight movements a day across Great Britain⁷. Intermodal (container based) freight accounts for 40% of these movements, followed by material for the construction sector.



⁷ ORR freight statistics (ORR, 2024-25)

Types of rail freight markets



Containers are moved between major ports in Great Britain and rail freight terminals in the region, e.g., Southampton, Felixstowe and Teesport to iPort Doncaster.



Containers are moved internally within the UK, primarily for UK retailers. e.g., Tesco runs over 10 rail freight trains per day across Great Britain between their major hubs.

We rely on rail freight for reliably keeping shelves stocked with food and other perishables.



Drax, the UK's biggest generator of renewable electricity, is expanding its rail fleet by investing in 30 new rail wagons to deliver the biomass it needs to generate enough renewable power for four million UK homes at its North Yorkshire power station.



Rail freight is critical in supporting the sustainable construction of large sites, e.g., aggregates from Peak District quarries are needed for concrete and asphalt for new housing developments.



Network Rail move rails, ballast, and sleepers from production facilities to parts of the network for track renewals and enhancements.



Passenger rail services are already used for moving time-critical medical supplies between cities. Trials of modifying passenger trains to deliver parcels between city centres on the West Coast Main Line could be an emerging growth area for rail freight.

Emerging rail freight markets

Network Rail forecasts containerised intermodal freight will triple between 2024 and 2050⁸, making it the primary growth sector.

Rail freight is influenced by both public policy and the economic outlook of the country. This means the market can be challenging to forecast over the medium-term.

New and emerging markets for rail freight in the North could include:



Carbon capture and storage

CO₂ captured from power stations and industrial sites will need to be moved to permanent storage



Hydrogen and sustainable aviation fuel

Fuels moved between coastal energy hubs, such as Immingham, and industrial users



Defence and nuclear supply chains

Containerised materials and equipment moved to support major defence manufacturing and nuclear decommissioning programmes



Scrap metal

Moved from city regions to electric arc furnaces and recycling plants

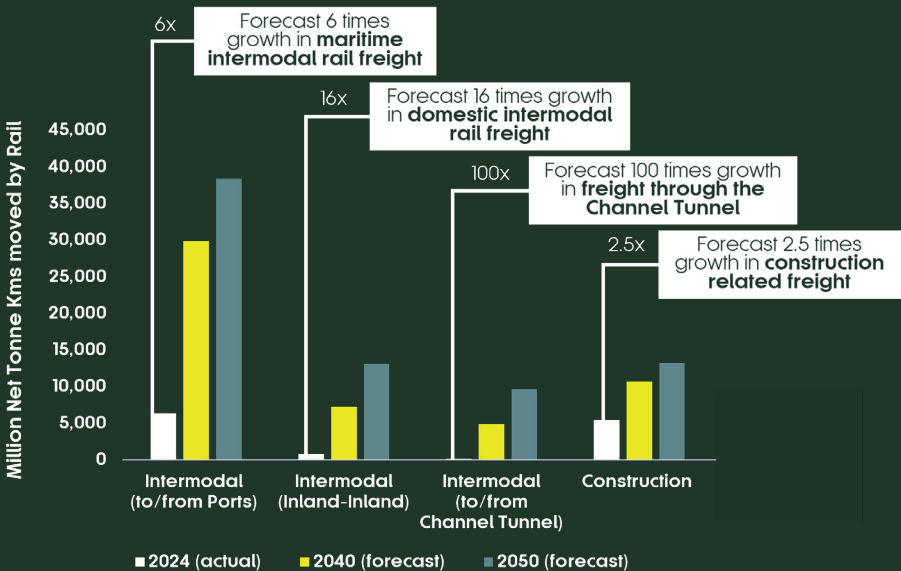


Express freight

Parcels consolidated at hubs, moved by rail (on passenger trains or dedicated trains), then delivered last-mile by vans/cargo bikes

Whilst much of the forecast intermodal freight in 2050 will be via ports, inland intermodal freight and freight via the Channel Tunnel are expected to grow to become significant markets. Construction aggregates are also expected to experience strong growth. All markets will be reliant on new rail freight terminals to support this anticipated growth.

Actual and forecast rail freight growth by market (ORR and Network Rail)



⁸ Freight Forecast Scenarios (Network Rail, 2019, revised in July 2025) with CPCS analysis

Rail freight terminals



Leeds Freightliner Terminal, credit: Freightliner

Overview

Rail freight terminals are places where goods move between the rail network and local communities. They act as access points for long distance rail services to connect with local delivery routes, bringing goods closer to homes, businesses and construction sites.

Rail terminals can be broadly grouped into two types:



Intermodal terminals: which enable the transfer of containers between rail and other modes, typically on flows between ports and inland destinations

- Larger intermodal terminals are known as Strategic Rail Freight Interchanges (SRFIs). SRFIs include development land for freight-intensive businesses to co-locate their warehousing, distribution, manufacturing or processing activities next to the rail facility. This helps businesses use rail for the long-distance part of the journey and using road for last-mile delivery to customers
- SRFIs and smaller intermodal terminals typically include container handling and storage facilities, such as cranes or reach stackers, to transfer containers between trains and HGVs for onward distribution



Bulk terminals: which enable the transfer of a single commodity onto and off a train.

- Bulk terminals are commonly co-located with a production or processing facility, such as a quarry or concrete batching plant
- Bulk terminals typically include specialist machinery to enable the efficient transfer of commodities on and off trains, such as conveyor belts for loading aggregates onto wagons or hydraulic pumps and pipelines for transferring oil into tankers

Type: Strategic Rail Freight Interchange (SRFI)

An SRFI is a large logistics park that co-locates businesses, and their distribution centres and warehouses, with a rail terminal. They also act as transfer points, allowing freight moved by rail to be offloaded, processed and distributed locally by road to reach businesses and consumers. SRFIs usually handle maritime intermodal freight.

Case study iPort Doncaster SRFI

800-acre SRFI site opened in 2018, on the site of the old Rossington colliery.

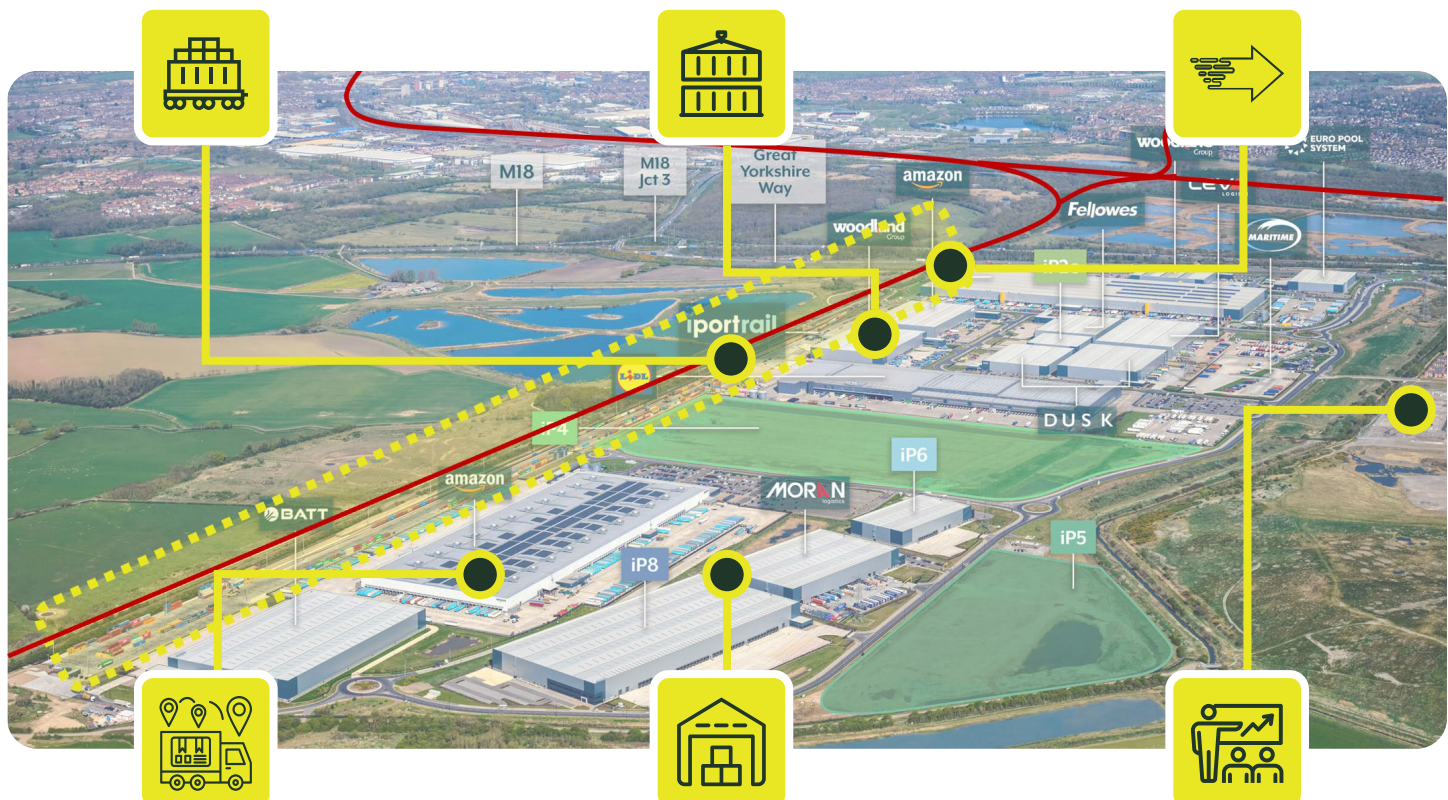
The site is directly connected to the East Coast Main Line, currently receives 6 trains per day from Southampton, London Gateway, Felixstowe, Teesport and the Scottish Central Belt.

Lead Developer/Sponsor: Verdion
Rail freight terminal operator: MEDLOG (acquiring Maritime UK, part of the MSC group).

The siding can handle 775m rail freight trains.

Future storage for up to 3000 20ft containers.

Designed to meet Channel Tunnel (SACTFF) approved secure facility standards for international movements.



Occupiers at iPort include Amazon, CEVA, Fellowes, Lidl, Dusk, Maritime Transport and Euro Pool Systems.

Site includes significant on-site warehouse development and immediate links to the Strategic Road Network.

iPort Academy nearby helps recruit and train new entrants to the freight and logistics sector.

Source: iportuk.com

Type: Bulk aggregates terminal

The North of England is home to dozens of smaller bulk commodities terminals that play a vital role supporting key industries.

Case study

Horton in Ribblesdale quarry, North Yorkshire

In 2025, disused sidings were reinstated to enable quarry minerals to be directly transported by rail to construction businesses across the North of England.

Lead developer/sponsor: VolkerRail, a railway systems and infrastructure contractor.

In partnership with: Horton Quarry, owned by Heidelberg Materials UK, Network Rail, GB Railfreight and local stakeholders.



Serves 1-2 trains per day, carrying 1,600 tonnes of limestone.

This removes 160 HGV movements a day, which equates to over 500 tonnes of CO2 a year.

Section 106 conditions also enabled passenger accessibility upgrades at the station.

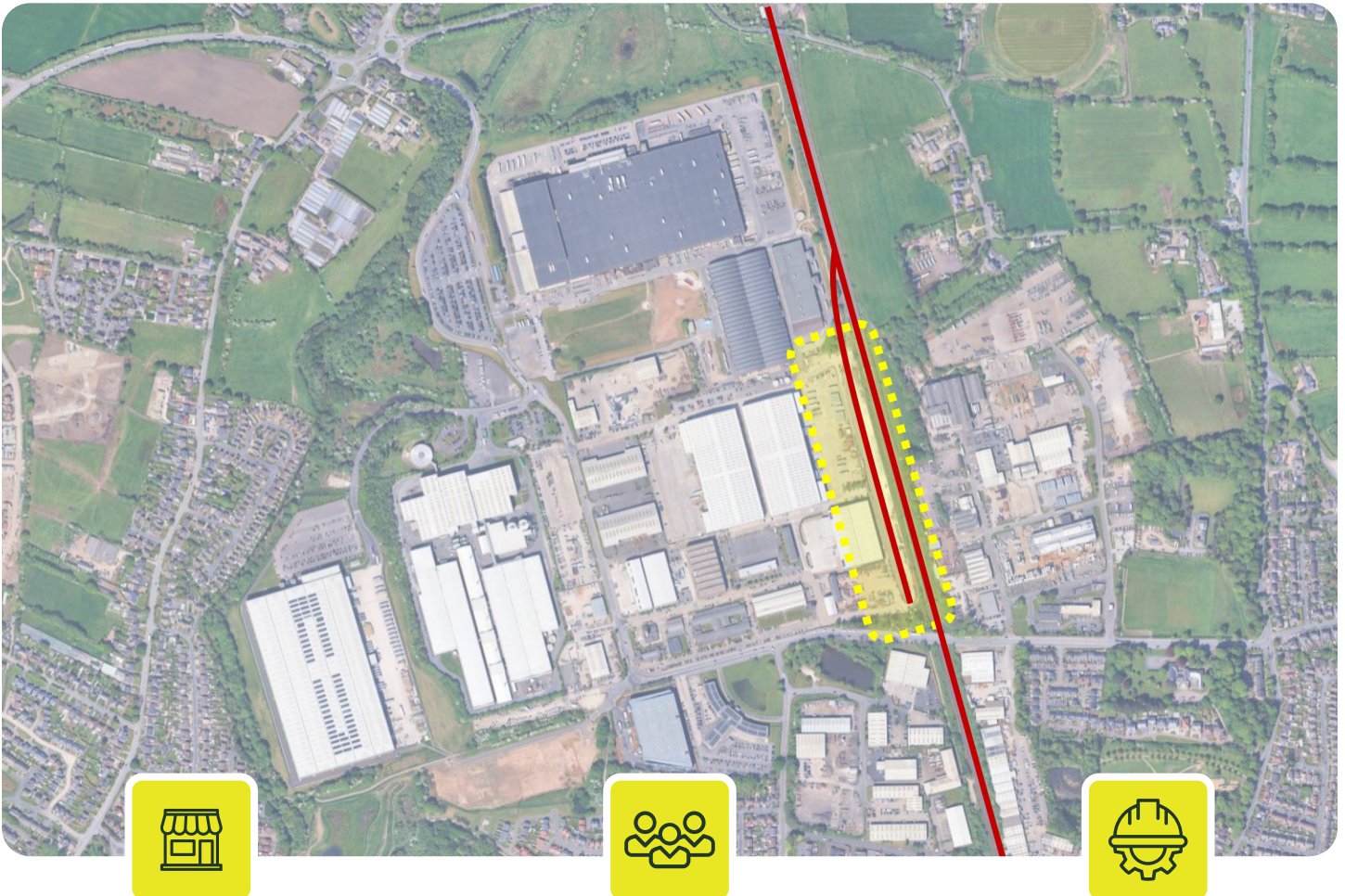
Case study

Leyland Aggregates terminal, Lancashire

In 2023, a disused passenger train stabling point was repurposed into a freight terminal in just four weeks. It receives aggregates from quarries across the country.

Lead Developer/Sponsor: Fox Group: Integrated Construction and Haulage provider

In partnership with: Network Rail, Freightliner and Lancashire County Council.



Local businesses benefit through the reduced cost of importing construction materials into the area.



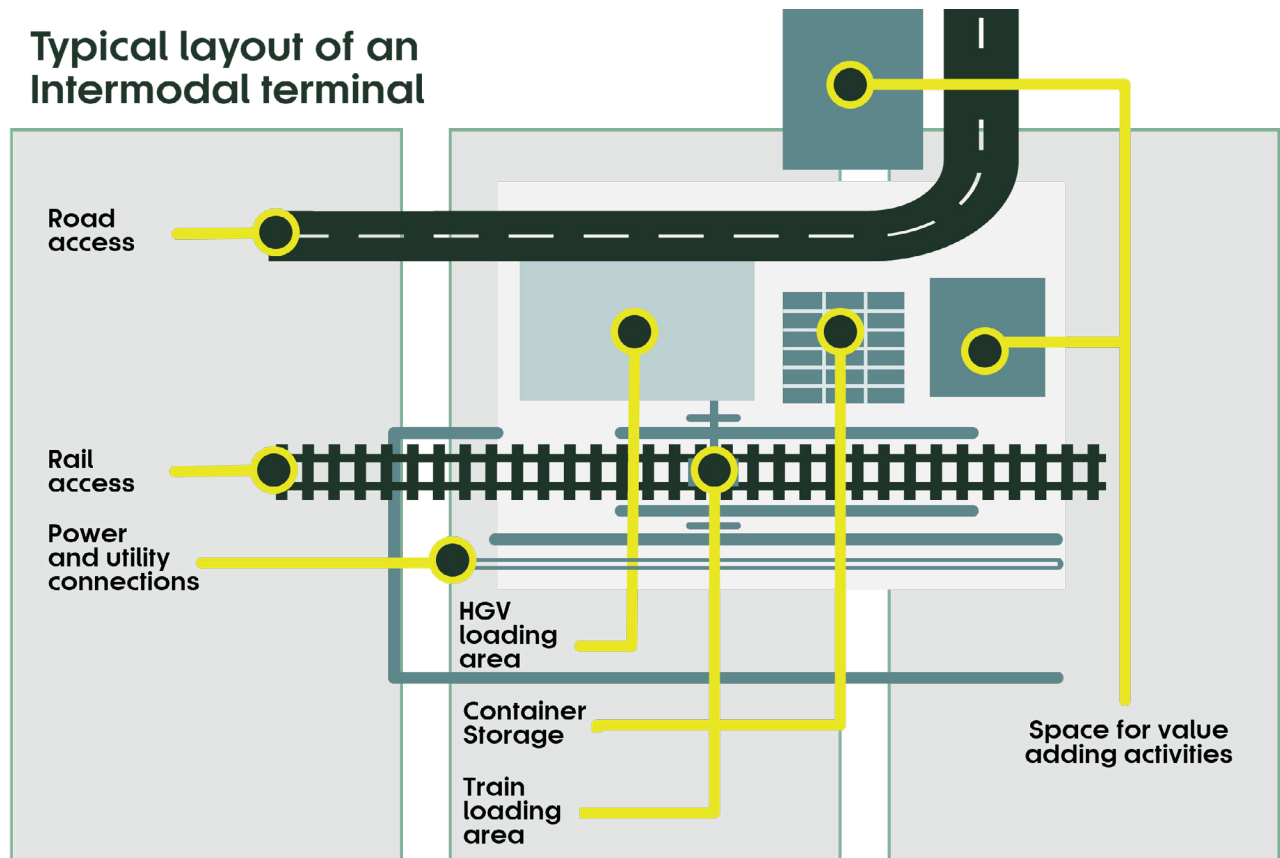
Local communities benefit from fewer aggregates HGVs on the road.



Highlights the potential to develop a terminal on a long and narrow site. It is less than 40m wide, but the 350m siding is still able to accommodate a full train.

Characteristics of rail freight terminals

Typical layout of an Intermodal terminal



A suitable site must have:

Strong rail, road and utilities access

- Long rail sidings which allows trains to arrive, load or unload, and depart without obstructing other rail services.
- Direct road access to the Strategic or Major Road Networks.
- Good power, water, sewage and gas connections are key to support terminal activity.

Space and equipment for loading and storage

- e.g. gantry cranes for moving containerised freight, or space for excavators or hydraulic pumps to move aggregates or liquids.
- e.g. concrete hard-stands for stacking containers, or silos for cement and biomass powders.
- Areas for shunting and marshalling to manage HGV loading.

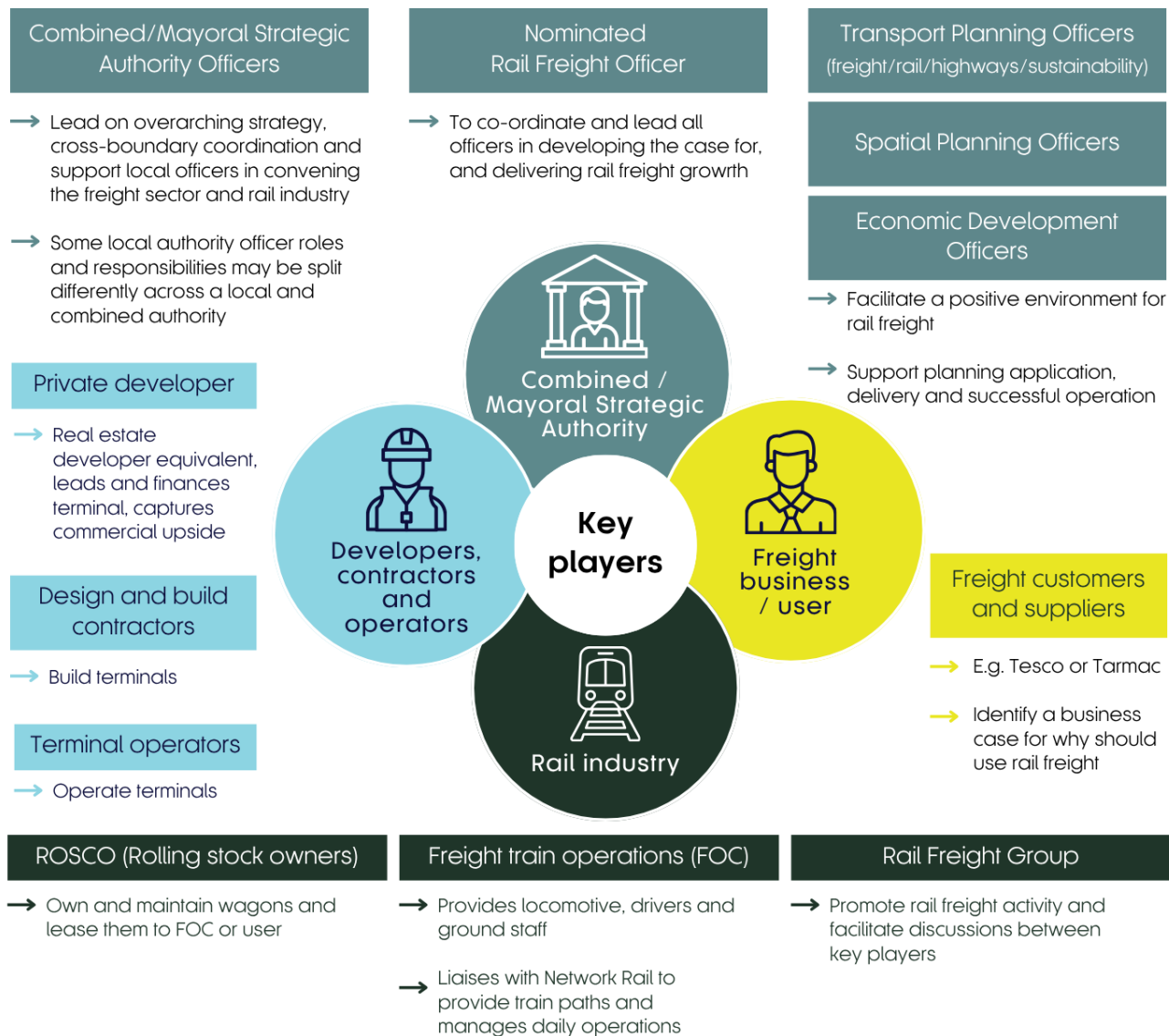
Space for value-adding activity

- e.g. warehousing, space for sorting and distribution activity for logistics firms, or industrial activity such as concrete or asphalt production.
- Sites may also need offices, driver welfare facilities, and other specific requirements such as customs processing areas.

Freight trains can be very long, varying between 300m and 775m in length. A longer siding is ideal, although trains can be split across multiple sidings if needed. A site should be at least 40m wide, with wider sites creating more opportunity for value adding activities.

Rail freight stakeholders

There are several stakeholders involved in the development, delivery and operation of rail freight terminals.



Network Rail (NR) / Great British Railways (GBR)*			
NR role in market development	NR role in terminal delivery	NR role in train operations	DfT/ORR/GBR*
→ Promote rail freight activity → Help facilitate discussions between freight customers and FOC	→ NR/GBR may own terminal land → Provides connection to rail linked terminals	→ Agrees track access contracts with FOCs → Develops the timetable, runs signals, manages disruption	→ Department for Transport (DfT) sets funding and policy, may provide grants to support rail mode shift → Office for Rail and Road (ORR) regulates rail access for freight

*Some NR/DfT/ORR functions may transfer to GBR with rail reform

Challenges of establishing new terminals

Meeting future rail freight demand presents a major opportunity to unlock economic growth. Delivering this will require a step change in terminal capacity, with new terminals enabling more goods to move by rail.

When looking to open new terminals, the industry and local authority officers face five key challenges



Lack of suitable sites

Terminals need large, relatively flat sites with good rail and road access, ideally close to major urban markets



Land competition

Where suitable land exists, it may be protected, expensive or earmarked for housing or other uses



Wider economic and environmental benefits can be underplayed

Local planning applications often focus most heavily on the local impacts of a proposed development, such as traffic, noise, visual intrusion or Green Belt harm. This can mean wider benefits, such as reduced long-distance HGV mileage, lower overall emissions, improved network resilience and support for economic growth, may be less prominent in local decision-making



Local community concerns around increased local traffic, noise and air pollution

Even though a new terminal might reduce overall HGV miles across Great Britain, it may increase local traffic around the site and raise concerns about noise, dust, air quality and visual impact for nearby residents. These concerns are legitimate and can affect community support and planning consent, although can be reduced through good site selection, layout and mitigation



Timing and risk sharing challenges

Developers and authorities need confidence that trains and customers will materialise before they build a new terminal, while freight operators and shippers want the terminal to exist before they commit to using it. This creates a delivery gap that the private sector often can't resolve on its own

Local authorities play a critical role in weighing local impacts against wider economic, environmental and network benefits, and in making informed trade-offs across site, land use and delivery risk. Unlocking new rail freight terminals requires early, joined-up working between local government, the rail industry and the freight and logistics sector

Factors that influence the delivery of a successful terminal

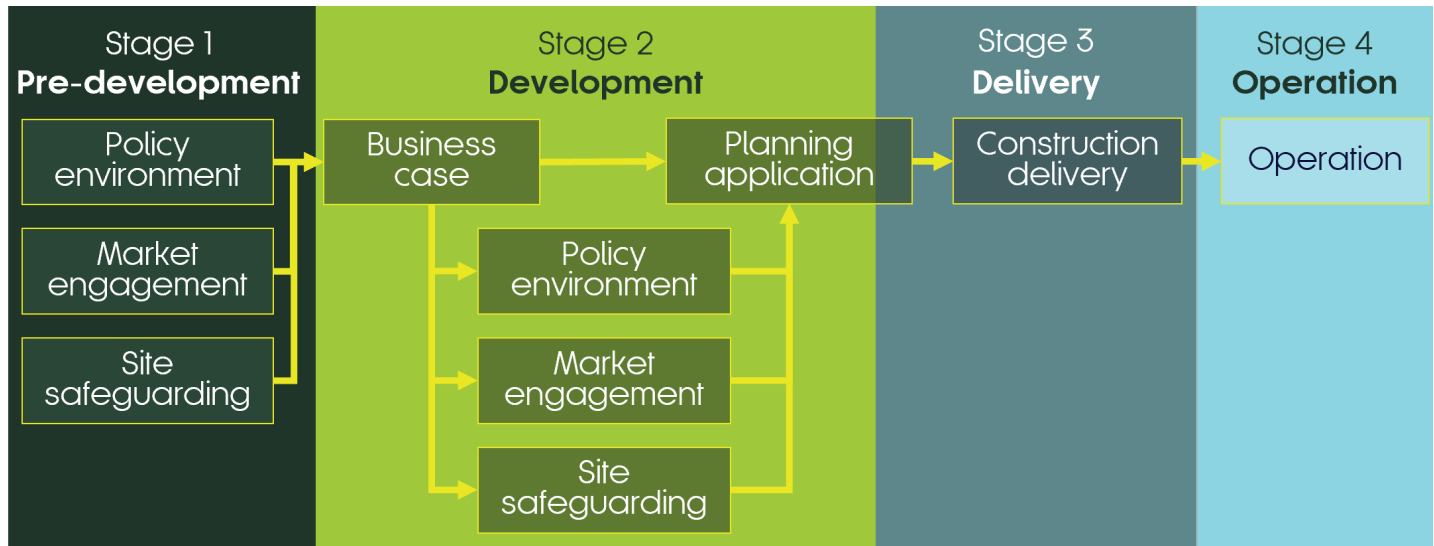
Rail freight terminal delivery is most successful when clear policy support and a strong market case are backed by early, collaborative action from stakeholders to address the practical barriers that can hold schemes back.

How local authorities can facilitate the successful delivery of a rail freight terminal



Establishing a rail freight terminal - project life-cycle

Terminal development life cycle overview



There are two key areas in which local authority officers support the delivery of rail freight terminals:

Stage 1

Pre-development: Local and combined authorities have a role in creating a policy environment that facilitates the development of rail freight terminals years before a scheme emerges. This includes the following 3 action areas in parallel:

- **Policy environment:** Ensuring transport, economic, land-use and decarbonisation strategies are aligned and all advocate for rail freight growth, and that those benefits are communicated to all stakeholders
- **Market engagement:** Engaging with the freight market and understanding their current and future needs for rail freight terminals, and how these align with local authority ambitions
- **Site safeguarding:** Identifying, assessing and safeguarding the best sites in the local plan for new terminals

Stages 2-4

Scheme specific support: Once a potential site or proposal comes forward, officers can play a pivotal role throughout the development process into delivery, and operation:

- **Development:** Leading or supporting the private sector to develop a business case which articulates the benefits, scheme design, procurement, funding and a planning application
- **Delivery:** Supporting the delivery of a successful planning application and overcoming blockers during construction
- **Operation:** Supporting the successful operation of a new terminal in-life

In most cases, the local authority will lead the pre-development stage, whilst the private sector will lead the development, delivery and operation phases. This guide sets out additional stages for local authority officers where they wish to play a more active leadership or sponsor role in delivery in sections 4 and 5.

These actions across the project lifecycle broadly apply to both larger SRFIs and smaller bulk terminals. Larger schemes in urban areas may require more extensive planning processes and involve a wider range of stakeholders. Conversely, reinstating a disused siding adjacent to an existing business in an industrial area is likely to be less complex and require less involvement from local authorities.



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