MAKE uk
The Manufacturers' Organisation

In partnership with:

BARCLAYS

FROM ROAD TO RAIL:

OPTIMISING GOODS TRANSPORT IN UK MANUFACTURING

Contents

Executive Summary

As the UK railway network approaches its 200th anniversary this year, the country finds itself at a pivotal moment to reshape its transport infrastructure. The Government has unveiled an ambitious 10-year plan, backed by significant public investment, as a source to increase private investment, offering an unprecedented opportunity to rebuild our transport infrastructure as a means for sustainable economic growth and long-term competitiveness.

Central to this strategy is a £15 billion investment in the North and Midlands, including upgrades to the South Yorkshire Tramline, Derby–Nottingham links, and the Oxford–Cambridge corridor, which together promise to boost productivity by enhancing labour mobility and fostering regional knowledge exchange across the country.

However, challenges remain. The cancellation of HS2's second phase, coupled with delays to phase one, risks leaving ambitions unfulfilled. The lack of recognition for freight in the latest Government's strategy is also a potential concern, though one we see great opportunities for. Today, manufacturers still rely heavily on the Strategic Road Network (SRN) to move goods across the UK and abroad, and the road network will remain important going forward. At the same time, as the Government begins work on a Logistics and Freight Plan, manufacturers are placing increasing importance on shifting more freight to rail to help achieve the target of boosting rail freight by up to 75% by 2050[1], reducing carbon emissions and helping the UK achieve Net Zero.

To unlock this potential, this report proposes a bold vision: the creation of a strategic national freight spine supported by a network of 'logistics hotels', starting in Crewe and extending to Felixstowe Port. This cost-effective strategy would not only recapture some of the value lost from HS2's curtailed second phase, but also significantly enhance the UK's freight capacity and industrial competitiveness, while integrating road, rail and port infrastructure would also tackle the 'last mile' logistics challenge - the often complex and costly final stage of delivery to end destinations - and therefore maximise freight efficiency.

Crucially, rail should be embraced not as a rival to road and maritime transport but as a vital component of a fully integrated, multimodal logistics network. Realising the transformative potential of rail freight requires bold leadership, strategic investment, and coordinated action across government, industry, and infrastructure bodies. By implementing the recommendations outlined in this report the UK can position itself at the forefront of freight innovation. This will deliver far-reaching benefits: enhancing industrial competitiveness, reducing environmental impact, improving supply chain resilience, and supporting regional and national economic growth.

Seizing this opportunity to revitalise rail freight is not only essential for meeting ambitious climate targets but is also a strategic imperative to build a stronger, greener, and more prosperous economy for all.

[1] Government sets ambitious target to grow rail freight by at least 75% - GOV.UK

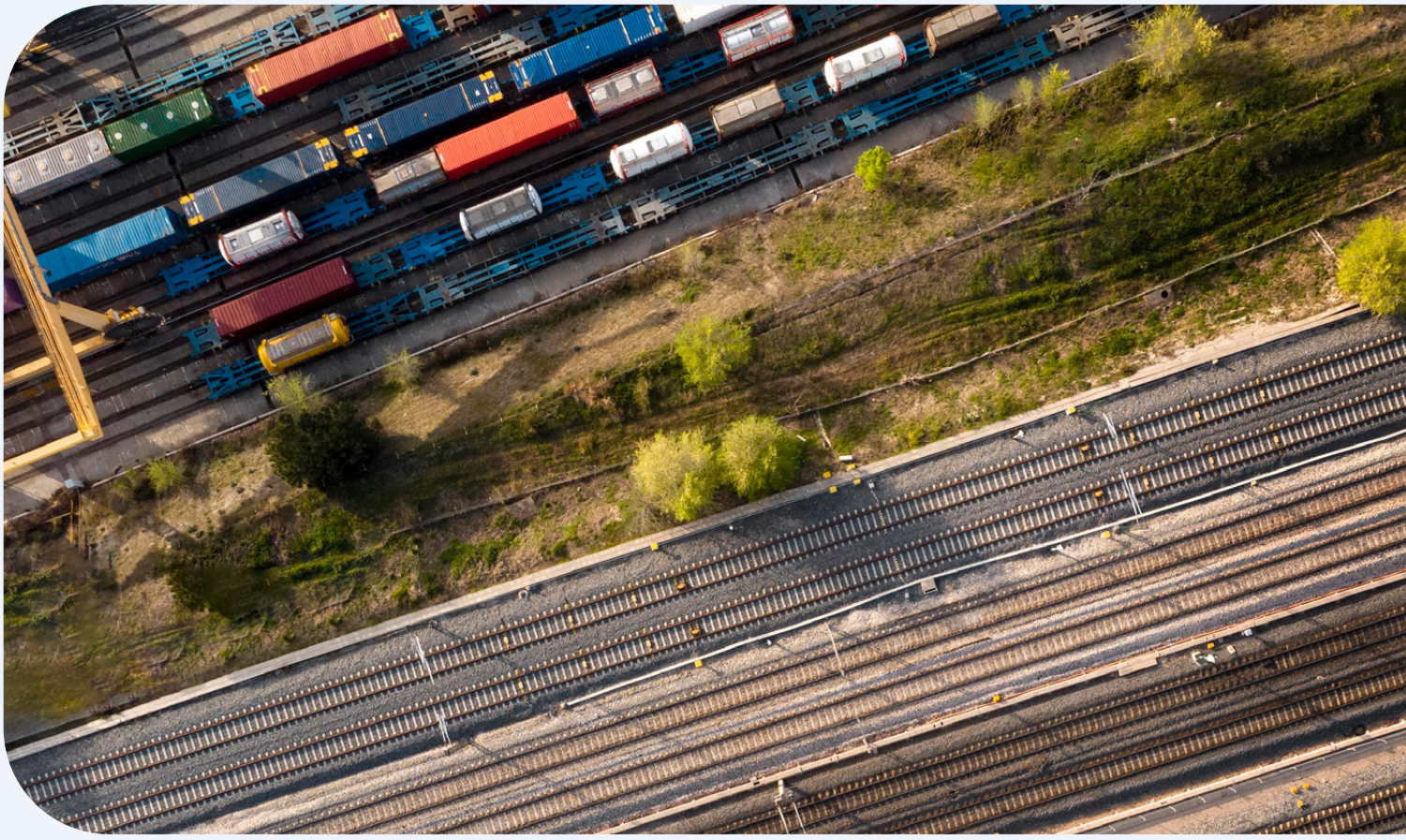
Recommendations

Building efficient multi-modal systems

- Create 'logistics hotels' → 61% of manufacturers want long-term investment in integrating road, rail and port infrastructure. Make UK propose starting with Crewe Station, which was part of the original HS2 second phase project, and transforming it into a logistics hotel to offer a viable destination for manufacturers to access multi-modal freight services to resolve the last-mile challenge. Following this, more logistics hotels should be built at strategic locations, such as Felixstowe.
- Ensure there is long-term investment in multi-modal systems to improve overall logistics efficiency → Currently the 10-year infrastructure plan does not give sufficient attention for opportunities in improving freight and logistics efficiency. Make UK proposes that any long-term logistics plan must consider the opportunity to improve rail access for business use alongside passenger needs, with a focus on intermodal transportation.

Modernising access to rail freight using digital solutions

- Develop a ticket-based approach to selling container space → Create a ticketing system modelled after the approach to air freight and passenger rail to enable a wider range of manufacturers to access space on rail freight containers, such as small volume producers of niche goods.



Introduction

In 1825, the world's first steam-powered passenger train began service between Stockton and Darlington, marking the dawn of a rail revolution that would shape the UK's infrastructure and global influence[2]. As the rail industry celebrates its 200th anniversary, this milestone offers a moment to reflect on rail's transformative role in connecting people and goods, supporting economic growth, and influencing transport systems, economies, and international relations worldwide.

Today, rail remains a vital part of British life, yet manufacturers currently rely more on road networks than any other form of domestic transport[3]. To sustain rail's relevance into the future - and achieve the government-set target to increase rail freight volumes by 75% by 2050[4] - development strategies and planning must rebalance priorities to better serve both passengers and industry. A major shift is required if manufacturers are to be persuaded that rail freight offers a viable, cost effective, efficient, and eco-friendly option for their businesses too.

Alongside a change in perception from businesses, investment in rail also needs a rethink. The creation of Great British Railways (GBR) is a landmark moment for the transport industry. However, whether the nationalisation of Network Rail and multiple network operators will improve rail service provision in the UK will depend on how it delivers for people and business.

One issue that consistently drives debate is the topic of HS2. The original purpose of the HS2 project was to increase freight capacity in the UK[5] and, as revealed in our recent survey, 85% of manufacturers still support a vision that connects Liverpool, Manchester, and Leeds through high-speed rail. The findings of this report propose solutions to recoup some of that lost value. This includes solving the last mile challenge and building logistics hotels in key locations such as Crewe and Felixstowe. In addition, it urges rail freight providers to adopt digital solutions to enable access to container space for a wider mix of manufacturers, in line with similar services in passenger rail and airfreight.

Make UK hopes that with the findings of this survey, there will be greater engagement between manufacturers and the rail freight sector going forward to improve domestic supply-chain efficiency. This can be supported with strategic infrastructure investments to build multi-modal transport systems in the UK.

Methodology and Survey Details

This survey targeted UK-based manufacturers to gauge the sector's views on transport infrastructure and highlight the potential for the manufacturing sector to use more rail as part of their logistics strategy. The sample is 130 manufacturers across a range of subsectors and locations. All findings represent the view of manufacturing businesses and not organisations in the logistics sector.

The survey results identify manufacturers' use of existing modes of transport, including roads, rail and ports, and identifies what the main barriers are to adopting more rail-based solutions for logistics efficiency.

Recommendations are detailed in Part 2 and summarised below the Executive Summary.

[2]Celebrating 200 Years of Rail: Stockton and Darlington Railway - Global Railway Review
[3]Make UK, Infrastructure: Enabling Growth by Connecting People and Place (2024)
[4]Government sets ambitious target to grow rail freight by at least 75% - GOV.UK
[5]HS2 - Hansard - UK Parliament

Part 1 – Transport Infrastructure and Manufacturing

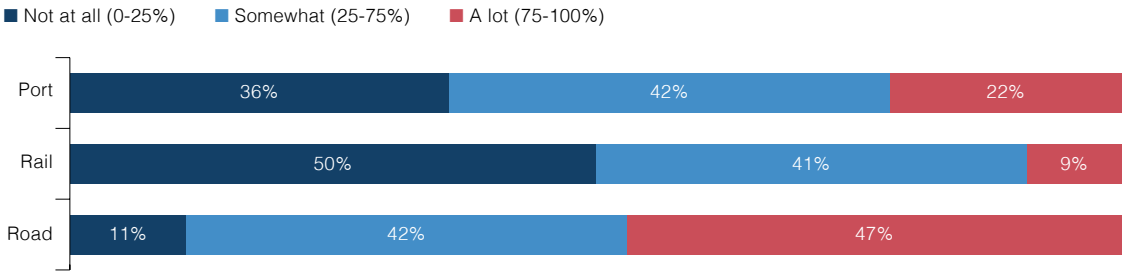
In the UK, manufacturing and logistics are deeply interconnected, with efficient transport networks playing a vital role in moving goods and ensuring access to markets and talent.

6/10 manufacturers
own & manage
their own fleet of HGVs/vans for logistics

Manufacturers rely heavily on road networks to maximise the flow of inputs and outputs. From moving raw materials between businesses and consumers, manufacturers mastered the art of just-in-time (JIT) production decades ago with advancements in technology, process, and skills. Most manufacturers (61%) operate their own fleets of HGVs/lorries and vans to achieve JIT, relying primarily on road networks, followed by ports. Rail is the least used. The survey suggests many use multiple transport modes, with 35% combining air, rail, and shipping for international trade, highlighting the importance of an integrated transport system over reliance on a single mode.

Increasing rail freight use offers benefits like lower carbon emissions, improved road safety, and greater transport efficiency, especially for long-distance travel and when it replaces road freight. While road freight is better suited for short distances, meeting the Government's target of a 75% increase in rail freight by 2050[6] will require stronger promotion of its advantages over road transport. According to Freightliner, this could save over 2.5 million tonnes of carbon emissions[7].

Chart 1 – To what extent do manufacturers use different modes of transport for freight? % share of responses



Source: Make UK/Barclays, Transport Infrastructure survey (2025)

[6]Government sets ambitious target to grow rail freight by at least 75% - GOV.UK
[7]Freightliner Calls on the Government to Set an Ambitious Rail Freight Target - Freightliner Group Limited

LOGISTICS AND SUPPLY-CHAIN MANAGEMENT GO HAND IN HAND

All major transport modes – road, rail, and ports – are vital for supply chains, but road transport stands out for just-in-time (JIT) production, with 59% of manufacturers rating it as very important, compared to 46% for ports and 38% for rail, as highlighted by chart 2 (a,b,c) on page 7. While rail and ports rank higher for overall supply-chain importance, roads are seen as the most efficient, making it harder to shift freight to rail.

Despite ports enabling international trade and rail being a potential road alternative, many businesses don't see rail as viable - especially for perishable or hazardous goods. However, rail is well-suited for heavy items like EV batteries, steel, and construction materials. Though innovative start-ups have shown light goods (e.g. food, medicine) can also be moved efficiently[8]. To promote a shift to rail freight, manufacturers need clearer evidence and better marketing of its versatility.

A typical freight train
can carry the combined load of
110 LORRIES

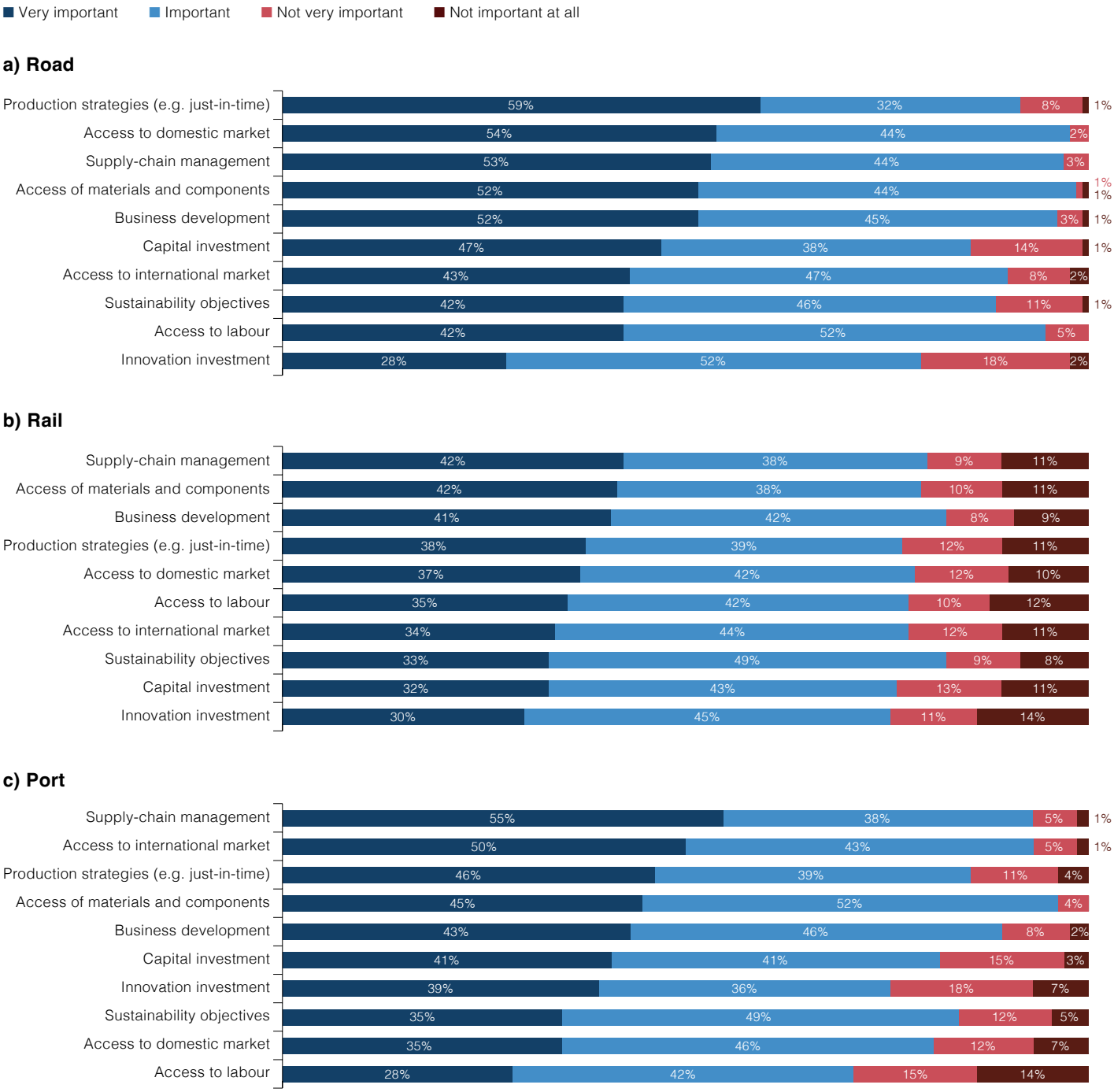
THE OPPORTUNITY PRESENTED BY RAIL CARGO

In 2024, rail freight moved approximately £25 billion of goods across the UK[9]. That is equivalent to removing almost 2.9 million lorry journeys off the road network. One rail freight line can carry a load, in tonnage, equivalent to the capacity of between 76 and 110 lorries[10]. If one freight train can take the load of 110 lorries, then every additional freight train we are able to power and fill (whilst also either removing HGVs off the road or reducing their driving distance) could reduce carbon emissions by 11,505 kg CO2, or roughly similar to the amount of carbon dioxide absorbed from the atmosphere by 548 trees in a year[11]. In addition, the benefits to health and safety on the road are obvious. It is estimated that there are, on average, 1.13 HGV-related fatalities per 10,000 miles annually in the UK, making our road network the eighth-most dangerous in Europe[12]. Whilst HGVs do not account for most incidents (~3% of road casualties), reducing the number of HGVs on the roads (or simply reducing the distances they travel) could improve overall road safety.

Enabling and incentivising more use of rail instead of road, where possible, could also alleviate labour and skill pressures on the logistics sector, which has a shortage of 30,000-40,000 HGV drivers and where the average age of the workforce is currently 51[13].

[8] High-speed freight trains emerge as fresh alternative to trucks in UK
[9] Freight in numbers - Network Rail
[10] Network Rail, Animation - the vital role of Britain's rail freight - Network Rail
[11] Make UK estimate using data from DESNZ ghg data on HGV and rail emissions. Assumes one rail freight train removes 110 lorries, which are assumed to each carry up to 15 tonnes in weight and travel up to 100km.
[12] The UK has the eighth highest yearly fatal HGV collision rate in Europe, according to research conducted by SNAP. | Motor Transport
[13] HGVLGV Training, Why is There a Shortage of Lorry Drivers in 2024? - hgvlgvtraining.co.uk

Chart 2 (a, b, c) – Importance of different types of transport infrastructure (road, rail, ports) to different manufacturing activities % share of responses



Source: Make UK/Barclays, Transport Infrastructure survey (2025)

THE RELATIONSHIP BETWEEN BACKING INFRASTRUCTURE AND BUSINESS INVESTMENT

Many factors influence business investment, such as productivity gains, return on investment (ROI), and government policy. But the key driver is confidence, cited by 59% of manufacturers[14]. This includes confidence in the economy, political stability, global conditions, energy costs, and workforce availability. Investing in UK infrastructure also boosts confidence.

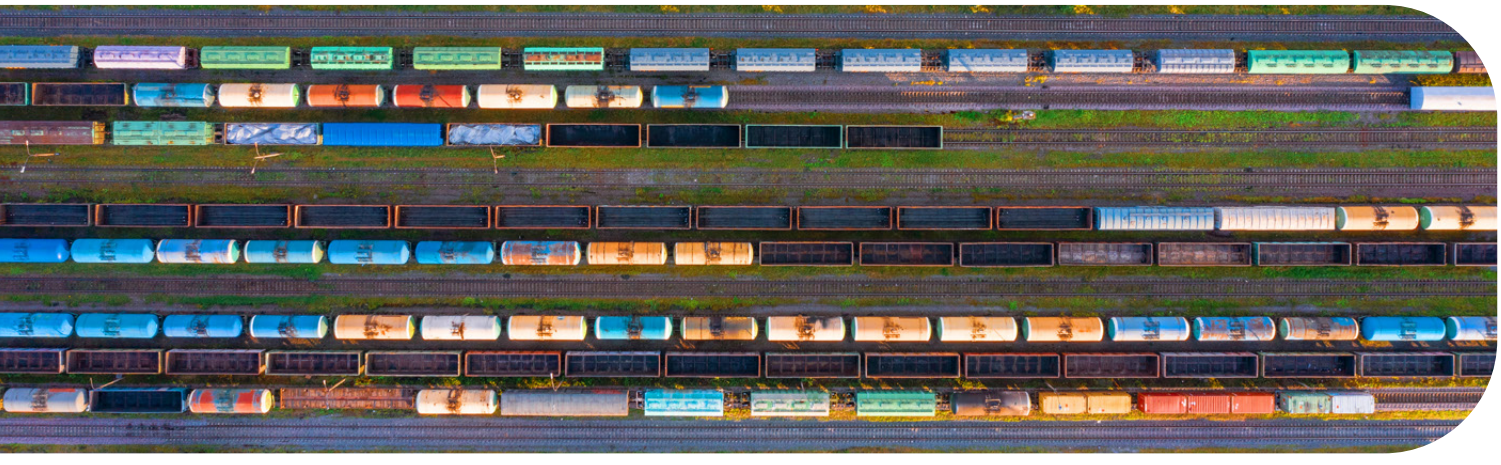
Yet, over half (54%) of manufacturers say that in the last decade road infrastructure has declined in quality. 46% had said the same for rail[15]. Over that same period business investment growth has been slow. This is despite the UK spending 0.81% of its GDP on infrastructure development across a decade (between 2010 and 2019), compared to the OECD average of 0.76%[16]. Though, the higher-than-average spending may not mean value for money in all cases, as it is exuberantly expensive in the UK to build. It is estimated that the construction of rail in the UK is twice as high as the global average[17].

However, recent developments in UK infrastructure policy, namely the 2025 Planning and Infrastructure Bill and the expected plan for logistics and freights indicated by the Government, are expected to speed up infrastructure building and streamline planning processes. Three in five (64%) manufacturers believe this bill could improve infrastructure planning, which may result in improved confidence. The IMF praised these plans indicating the Bill could bring a £7.5 billion boost to the UK economy[18].

With targeted investments in transport infrastructure, business confidence can be boosted, encouraging manufacturers to invest in the long-term growth of the UK economy. Our survey highlights that 68% of manufacturers expect the main benefits of improved transport infrastructure to be “better quality intermodal systems”, and as such 61% of manufacturers believe that in the next 10 years government investment should be targeted at integrating rail, road and port infrastructure. Doing so may improve confidence in manufacturers.

It’s 172% more expensive
to build 1km of rail track in the UK
in comparison to France

It’s 83% more expensive
to build 1km of road in the UK
in comparison to France



[14]Make UK/RSM, Investment Monitor 2024
[15]Make UK, Infrastructure: Enabling Growth by Connecting People and Place (2024)
[16]Make UK calculations using OCED data on infrastructure investment. The OECD defines infrastructure investment as “spending on new transport construction and the improvement of the existing network. It includes rail, road, inland waterways, maritime ports, and airports.”
[17]BCG, Reshaping British Infrastructure – Global lessons to improve project delivery
[18]Planning and Infrastructure Bill, Impact Assessment

WHAT DOES IMPROVING TRANSPORT INFRASTRUCTURE MEAN TO A MANUFACTURER?

Upgrading the UK's rail infrastructure boosts manufacturing competitiveness and wider economic growth. For manufacturers, better transport links translate into several key improvements. These include speed, reliability and safety.

Speed

For 72% of manufacturers in the survey, the top priority is speed, ensuring that goods, materials, and people can move swiftly between production sites, suppliers, and customers, reducing lead times and increasing efficiency. Faster transit means manufacturers can respond more quickly to market demands, accelerate production cycles, and reduce inventory costs - all of which contribute to greater economic output.

Reliability

Reliability is important for 62% of manufacturers, who rely on timely services and systems to avoid costly delays. A dependable transport network improves supply chain efficiency, reduces costs, and boosts confidence, encouraging investment and job creation. However, shifting to rail means businesses may relinquish some control over goods flow to third parties.

Safety

Safety, cited by 48%, is also a common factor, for protecting workers, goods during transit, and securing infrastructure to minimise disruption. A safer system reduces the risk of accidents and damage, lowers insurance and liability costs, and supports sustainable operations – benefits that collectively enhance the UK's industrial resilience and productivity.

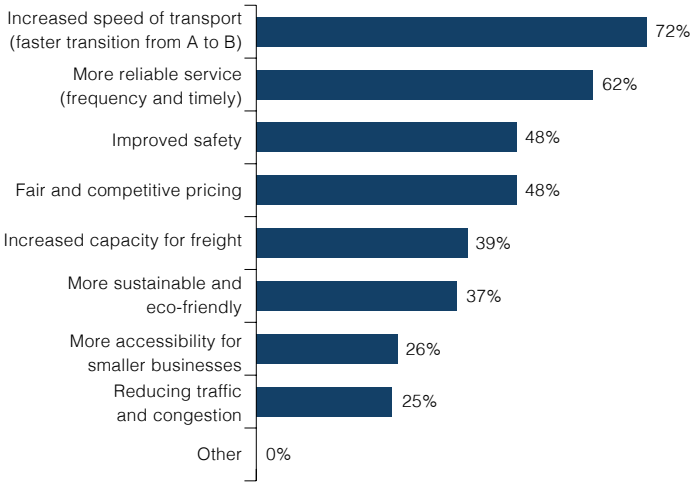
Access to labour is also critical

Improved transport isn't just about logistics, it also enhances access to skills. 62% of manufacturers say better infrastructure helps with labour access[19]. Over half would invest more in skills (58%) and equipment (57%) if rail links improved according to this survey. Stronger rail connections widen recruitment areas, ease commutes, and address skill shortages by enabling access to a more diverse, reliable workforce. This boosts productivity, reduces absenteeism, and supports inclusive growth. Projects like the Manchester Metrolink and Channel Tunnels show how infrastructure investment delivers long-term dividends[20,21].

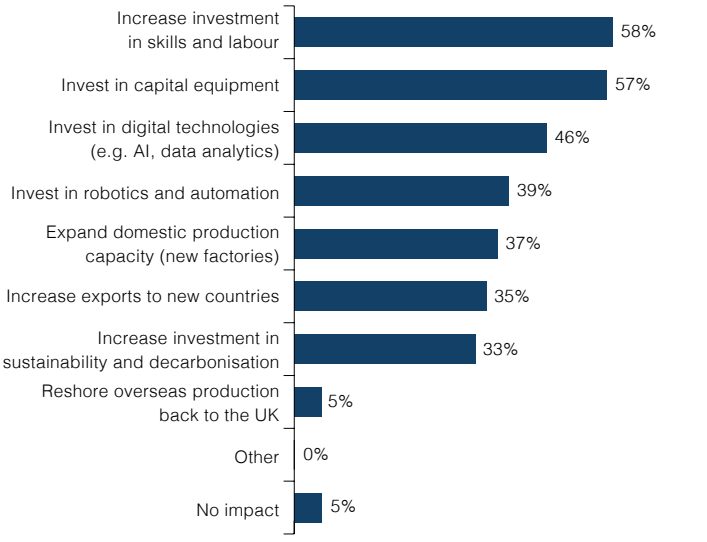
Chart 3 (a,b) – Improving transport infrastructure for businesses and its potential impact on investment

% share of responses

a) What does improving transport mean to a manufacturer?



b) Impact on investment if transport infrastructure improved dramatically



Source: Make UK/Barclays, Transport Infrastructure survey (2025)

[19]Make UK, Infrastructure: Enabling Growth by Connecting People and Place (2024)
[20]About Manchester: Report-Metrolink expansion has brought major benefits to communities, clean air and congestion - About Manchester
[21]Campaign for Better Transport, Runways to Railways: unlocking the potential of the channel tunnel (2025)

How competitive is the UK at building road and rail infrastructure?

The UK is among the most expensive countries for building rail infrastructure, costing around £34m per km, far higher than France (£12.6m) or the US (£19.5m)[22]. Primarily due to high construction and maintenance costs, rail travel is also more expensive for passengers and businesses in the UK, reducing affordability and competitiveness. There are several reasons for this, but the main factors include high project management costs, material and energy prices, and planning delays[23]. Despite significant public spending, returns on investment are often limited, as seen in projects like the Elizabeth Line, which, albeit viewed as a success, suffers from its own inefficiencies[24].

Action has been taken by the current UK Government to address some of these challenges. For example, the Planning and Infrastructure Bill 2025 includes draft legislation to reform the UK's planning system by giving new powers to local planning authorities (LPAs) such as the National Scheme of Delegation to streamline decision-making and allowing LPAs to set their own planning fees, under the pretence that they better understand their own funding gaps and will be able to fundraise appropriately[25].

Most importantly, the new legislation will change the NSIP regime (Nationally Significant Infrastructure Projects). This relates to infrastructure projects that are critical to the nation (like HS2), with changes set to reduce the number of attempts allowed to appeal an approved infrastructure project from three to one (meaning if a complainant fails to prevent a project, that project cannot be challenged more than once). This could also help combat costly NIMBYism (Not in My Back Yard – which refers to the tendency of existing residents to oppose future developments in their local area). Research conducted by the LSE found that NIMBYism increased the cost of wind power projects due to the impact of misallocation (i.e. by not putting the wind farms where they should be, but only where they can go, due to complicated planning laws)[26].

The Planning and Infrastructure Bill is an encouraging step towards closing the gap in cost between the UK and other countries. However, GB Railways should make full use of the partial liberalisation of planning laws to improve the rail network for both passengers and business freight. Finally, greater investment in skills is required to increase the efficiency of delivering projects even if they don't face as many planning issues as before. The House of Commons Public Accounts Committee (PAC) found that the UK lacks the skills to deliver over £800 billion worth of infrastructure projects in road, rail and energy[27]. Solving these challenges and ensuring the Planning and Infrastructure Bill works will help bring these above-average costs down.

Table 1 – The cost of building in the UK

	Rail, cost per km (£m)	Road, cost per km (£m)
Sample average	24.3	6.0
UK	34.3	7.8
Germany	31.6	4.3
France	12.6	4.2
EU	26.8	5.9
US	19.5	5.5
Australia	23.1	7.6

Source: BCG

[22]BCG, Improving Infrastructure Delivery in the UK | BCG UK
[23]Ibid
[24]Transformational Elizabeth line reaches 500 million passenger journeys - Transport for London; Elizabeth line not meeting high standards, says London mayor - BBC News
[25]Planning and Infrastructure Bill, The Planning and Infrastructure Bill - GOV.UK
[26]Jarvis, S. 2021, "The Economic Cost of NIMBYism: Evidence from Renewable Energy Projects"
[27]UK lacks skills and capacity to deliver major infrastructure, PAC warns - Committees - UK Parliament

THE BARRIERS TO ACCESSING RAIL FREIGHT FOR MANUFACTURERS

Incentivising manufacturing businesses to make greater use of rail freight could bring substantial environmental and economic benefits to the UK. The logistics sector already contributes £2.5 billion in economic and social benefits annually and produces 76% fewer carbon emissions compared to road freight[28]. According to the survey's findings, no manufacturer uses rail freight as their primary mode of moving goods, though it has already been highlighted that businesses likely use a combination for cargo modes with road being dominant. Nevertheless, manufacturers have highlighted barriers to accessing rail freight services here. The three most common barriers are discussed below:

Cost

Just under half of manufacturers identify cost as the primary barrier to accessing freight. Across a decade, the cost (per tonne) in miles increased by over 10% for rail freight providers compared to just 3% for road freight. This was as a result of several factors, including the cost of access charges (i.e. the cost of paying Network Rail to access tracks, where the price is set by the Office of Rail and Road) which have increased by 26%, reflecting inflation as well as maintenance costs. Meanwhile, road charges and levies (i.e. tolls, vehicle taxes, fuel duty) have fallen by 41% in real terms[29]. If rail freight providers are unable to compete on cost, then it's a simple decision for businesses to stick to road freight.

[28]Network Rail
[29]Rail Partners, A Greener Track: Making Rail freight cost effective (2025)
[30]Ibid
[31]Office of Rail and Road

Halving rail access charges would remove 38 million miles driven by HGVs and reduce CO2 emissions by 130 kilotonnes[30]. However, investment is required to make rail freight a viable alternative for businesses. The Mode Shift Revenue Support (MSRS) scheme could support balancing these costs, but additional work is required to understand whether the price-setting mechanisms deployed by the ORR are adequate considering the negative impact on reducing access to rail cargo services long-term. This will depend on the priorities of regulators, whether it is for passengers, for businesses, or both, and how GB Railways, soon-to-be the second largest employer in the UK after the NHS, will be organised to meet long-term demand.

Volume

Two-fifths of manufacturers say their production volumes are too low or unsuitable for rail freight. While rail has traditionally served heavy goods like coal and construction materials, the decline in coal transport has freed up capacity for a wider range of goods[31], supporting decarbonisation efforts.

However, manufacturers of high-value, low-volume items (e.g. medical devices, electronics) often can't fully utilise standard containers, limiting the practicality of switching to rail. To tap into unused capacity, the rail sector could offer flexible solutions – like groupage models that let multiple manufacturers share container space. These ideas should be investigated further.

For a truly efficient multi-modal system, rail, road, and ports must adapt to each other's transport and storage methods – ensuring compatibility across all modes.

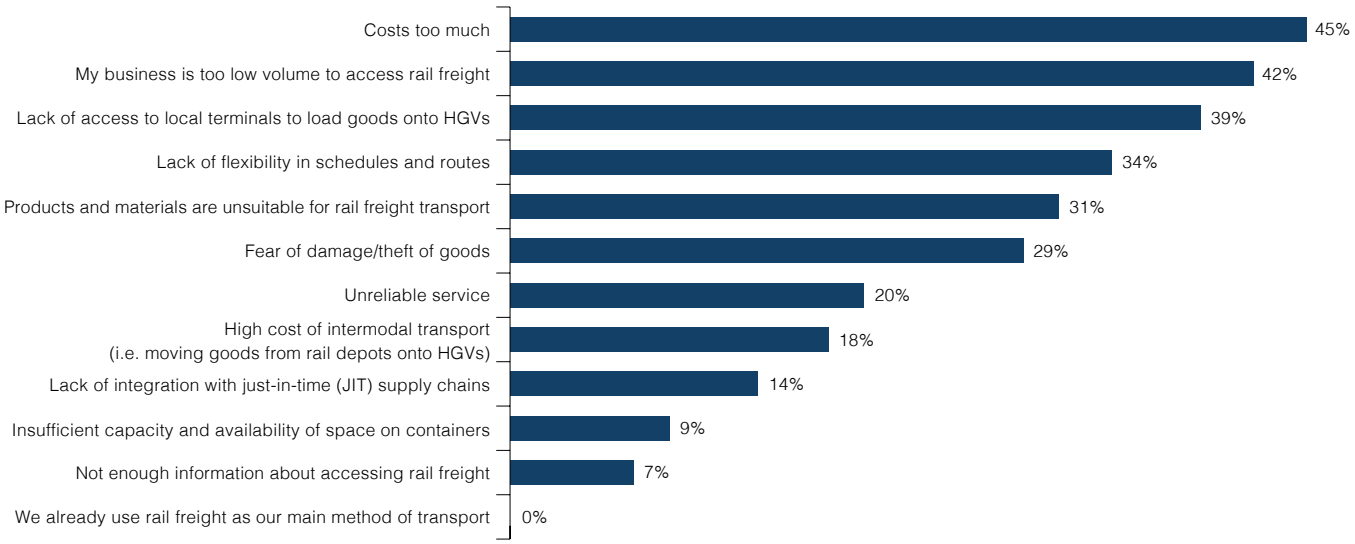
Access to local terminals

Nearly two-fifths (39%) of manufacturers cite limited access to local terminals as a key barrier to using rail freight. Even with rail, HGVs are still needed for first and last-mile delivery. However, shifting more of the journey to rail can cut fuel use, emissions, congestion, and improve air quality.

The "last mile" is a major challenge, especially without well-designed depot stations with storage and warehousing to support just-in-time operations. As a result, 61% of manufacturers believe government investment should focus on integrated, multi-modal transport systems. This highlights the need for coordinated infrastructure at terminals and logistics hubs to enable efficient, low-carbon freight without compromising performance.

One in three (33%) manufacturers believe that freight should be prioritised when improving the transport network – a clear signal of strong demand for rail infrastructure that better supports goods movement rather than just passenger transport. A further 45% want to see both freight and passenger rail improvements. In total, 78% of manufacturers want investments in rail freight, demonstrating the critical importance of rail to strengthening the UK's industrial competitiveness.

Chart 4 – The barriers to accessing rail freight services for manufacturers % share of responses



Source: Make UK/Barclays, Transport Infrastructure survey (2025)

Part 2 – The Future of Transport Networks

Great British Railways (GBR) will unify 14 operators, including Network Rail, the Rail Delivery Group, and the DfT Operator into one streamlined body, aiming to improve rail for both passengers and freight. To succeed, Government must ensure freight services are not neglected for investment to mainly meet passenger needs. Both are important to the growth of the UK, and we should aim to support improving both freight and passenger services.

85% of manufacturers
believe that the original HS2 proposal
to connect Liverpool, Manchester and Leeds
should still go ahead

Despite the high cost of rail expansion, revisiting parts of the cancelled second phase of HS2 could boost connectivity and capacity. The original purpose of HS2 was to increase capacity for cargo freight and thereby create a step change in business mobility[32]. The total estimated cost of the HS2 project escalated from its projected £33 billion[33] to £71 billion, with significant funds already invested in the now abandoned second phase - connecting Birmingham to Manchester - and the link between East Midlands Parkway and Leeds. This investment in the second phase represents a sunk cost loss to the taxpayer that cannot be recovered, unless we reassess the transport needs of key locations between the Midlands and the North to identify more effective and targeted infrastructure solutions. 85% of manufacturers still believe the original plans for HS2 should go ahead and, whilst this may not be feasible, Make UK propose a bold solution to target strategic locations for maximising freight efficiency.

PROPOSAL: TRANSFORM KEY LOCATIONS INTO LOGISTIC HOTELS TO OVERCOME THE LAST-MILE CHALLENGE

Logistics hotels are highly efficient multi-modal distribution facilities located in designated areas that connect different modes of transport – road, rail, shipping, and air – alongside distribution centres, warehouses, or data centres. By consolidating logistics operations in a single strategic location, they enable a seamless transfer of goods, reduce transit times, and optimise supply chain efficiency. A leading example is La Chapelle International in Paris, which integrates multiple transport modes to streamline freight movement across the region.

[32] HS2 - Hansard - UK Parliament
[33] https://www.theguardian.com/uk-news/2023/sep/25/why-has-hs2-ended-up-being-so-expensive?utm_source

La Chapelle International in Paris is a model logistics hub and a prime example of a successful logistics hotel, combining a 484,000 square foot multi-use space with a 400 metre rail terminal that replaces 44,000 truck journeys annually. It integrates rail with low-emission vehicles for last-mile delivery and includes offices, a data centre, sports facilities, and an urban farm, demonstrating sustainable, efficient urban logistics.

This multi-modal distribution facility is estimated to bring significant benefits by making Paris more sustainable, including reducing lorries entering the city by 5000 and reducing carbon emissions by 1500 tonnes per year.[34]

START WITH CREWE TO ELIMINATE THE LAST-MILE CHALLENGE IN THE NORTH WEST

In the UK, Crewe offers an opportunity similar to the achievement in Paris. The location is a key hub linking Manchester, Liverpool, and Leeds, and was previously intended as a strategic connection point for the second phase of HS2.

It was one of the most important locations targeted for investment in high-speed rail, and which was estimated to lead to a £1.1 billion increase in the area's Gross Value Added (GVA), coupled with further economic growth in the wider North West region[35]. On this basis, it is clear that Crewe has the potential to become the UK's first logistics hotel. We propose transforming Crewe into a multi-modal centre modelled on La Chapelle International to boost freight efficiency and reduce reliance on HGVs in the North West, a major manufacturing region.

This investment would combine well with additional proposed projects, such as the link between Manchester and Liverpool, which could unlock £90 billion for the North West[36] as well as draw on the Chancellor's announcement of £15.6 billion of transport infrastructure investment in parts of the North and Midlands[37].

Whilst many of these investments are driven by local need, taking a more strategic and integrated approach could unlock significantly greater value. By treating logistics infrastructure as a national asset, rather than a patchwork of local projects, we can reduce barriers to accessing rail freight and maximise economic returns. Long-term, the East Midland's Parkway should also be considered as a site for a Logistics Hotel, given the location was also strategically important to HS2.

EXTEND THE LOGISTICS SPINE FROM CREWE TO FELIXSTOWE

Expanding the model of logistics hotels across the country would amplify their benefits, supporting businesses, easing pressure on road networks, and bringing economic and environmental gains to communities nationwide.

For example, the Port of Felixstowe in Suffolk is the UK's largest goods port, handling 42% of Britain's containerised trade[38]. Strategically positioned on England's eastern coast, it serves as Great Britain's nearest maritime gateway for goods traded with the UK's largest trading partner, the European Union. Crucially, Felixstowe lies along the long-proposed Oxford-Cambridge Arc, a corridor, linking two of the nation's key university and R&D hubs in the "Golden Triangle" with London. Upgrading this arc offers a unique opportunity to elevate the logistics hotel concept by creating a continuous rail freight spine, connecting Felixstowe with the Golden Triangle and through HS2 to Birmingham and beyond. This route would traverse England's R&D innovation hubs in Oxford, Cambridge and London, linking them with our industrial heartlands in the North and West Midlands, and simultaneously connecting the country's three busiest cities: Manchester, Birmingham, and the City of London, as well as one of England's most important west coast maritime centres, the Port of Liverpool. The agglomeration effects from this enhanced connectivity would yield significant economic gains both locally and nationally.

[34] Paris leads the way for sustainable urban mobility - ICLEI Sustainable Mobility
[35] Crewe, HS2 HUB: Masterplan Vision (2017)
[36] Laying the tracks to growth: Liverpool-Manchester Railway plan could unlock £90bn economic boost
[37] Biggest ever investment in city region local transport as Chancellor vows the 'Renewal of Britain' - GOV.UK
[38] Felixstowe - PD Ports

ENSURE THE NETWORK OF LOGISTICS HOTELS IS INTEGRATED WITH OTHER CRITICAL PROJECTS

Alongside this, smaller yet strategically important projects such as Ely Junction improvements near Felixstowe, the East West Rail line between Cambridge and Oxford, the scaled-back Phase 2a HS2 to Crewe and upgrades to the Tilbury2 line serving Trafford Park, illustrate the potential to integrate the UK's freight network around our manufacturing heartlands. This report's proposals show how, by connecting the dots in the network, strategic government planning can recoup some of the sunk costs incurred for HS2 in a cost-effective way: through targeted investments and incentives aimed at improving key nodes in the network. Such a coordinated approach offers a pathway to revitalise the UK's logistics infrastructure, support manufacturing competitiveness, and drive a more balanced and resilient economic geography.

89% of manufacturers

say that there should be high speed services

built to link Liverpool, Manchester, Sheffield, Hull and Newcastle

A LONG-TERM VIEW IS KEY TO ACHIEVING SUPPLY-CHAIN EFFICIENCY

Redefining our transport system should lead with a long-term strategy[39]. It starts by recognising that the value of transport networks is greater than the sum of their parts. Today, 61% of manufacturers believe that integrating road, rail and ports to work seamlessly together is a priority that exceeds making rail networks reliable and cheap (52%), building high-speed networks (51%), or even building east-west connections (48%)[40]. The publication of the 10-year infrastructure plan is a positive, landmark moment that is expected to redefine the delivery process of infrastructure investment. However, projects that could expand capacity for freight and business use is currently limited and so we hope that any further developments for long-term transport infrastructure planning will consider the opportunity presented by rail cargo for the business sector.

Recommendation

- **Create logistic hotels:** 61% of manufacturers want long-term investment in integrating road, rail and port infrastructure. We propose starting with Crewe Station, which was part of the original HS2 second phase project, transforming it into a logistics hotel to offer a viable destination for manufacturers to access multi-modal freight services to resolve the last-mile challenge. Following this, more logistics hotels should be built at key locations, such as Felixstowe.
- **Ensure there is long-term investment in multi-modal systems to improve overall logistics efficiency:** Currently, the 10-year infrastructure plan does not give sufficient attention for opportunities in improving freight and logistics efficiency. Make UK proposes that any long-term logistics plan must consider the opportunity to improve rail access for business use alongside passenger needs, with a focus on intermodal transportation.

[39]Make UK, Industrial Strategy: A Manufacturing Ambition (2023)
[40]Make UK/Barclays, Transport Infrastructure Survey (2025)

PROPOSAL: RE-IMAGINE HOW WE OFFER CONTAINER SPACE TO MANUFACTURERS

Accessing rail services as a passenger is generally straightforward. Buying a ticket for a specific journey is simple, with most seats offering a similar experience, making the system easy to navigate. While fare structures can be complex, the overall process remains familiar and accessible for most travellers.

The same cannot be said for freight transport. According to Network Rail, there are two main ways to access rail freight. However, before either option is available, a business must first partner with a Freight Operating Company (FOC), which then works with Network Rail to secure access. The first option is a "temporary path," offering short-term and flexible access to the rail network. The second is a longer-term arrangement, where an FOC can bid for a contract lasting up to five years[41].

This system, though complex, is designed to ensure fair use of shared rail infrastructure between freight and passenger services. However, this complexity can make rail freight less accessible – particularly for low-volume manufacturers. Nonetheless, it also presents a valuable opportunity for freight operators to better support the manufacturing sector through more innovative, user-friendly approaches. Inspiration might be drawn from passenger rail solutions like Trainline, which has simplified booking processes by using an online platform to collate information on ticket prices and schedules at the national level. This, in turn, allows consumers to efficiently compare costs and plan the most efficient route.

The air freight sector is another brilliant example of enabling businesses to access freight in a simple way. Air freight at Heathrow Airport efficiently allocates space using a form of ticketing, making it a popular choice for manufacturers. Solutions, such as WebCargo, CargoWise or CargoAi, already exist for the airfreight sector. They provide a digital service that allows business to ebook space on aeroplanes for cargo in real time[42]. It is expected that digital booking systems will grow substantially for the air cargo sector[43], and so it stands to reason that the rail freight sector should build on this digital revolution for freight. As the Chancellor recently announced substantial investments in transport infrastructure, there is no doubt that digital technologies will play a role in the advancement of supply chain efficiency.

Recommendation

– **Develop a ticket-based approach to selling container space:** Create a ticketing system modelled after the approach to airfreight and passenger rail to enable a wider range of manufacturers to access space on rail freight containers, such as small volume producers of niche goods.

[41] Move my freight by rail - Network Rail
[42] WebCargo – The International Air Cargo Association
[43] How Digitization in Air Freight Will Boost Revenue | BCG

Conclusion

Rail freight is a viable solution in conjunction with other transport modes for UK manufacturers and it is also a significant opportunity for the nation's decarbonisation goals. This report sets out a vision for how rail can once again lead the world, this time by driving economic growth, decarbonisation, and international competitiveness.

Building on this legacy of innovation, the report proposes practical and cost-effective steps to improve supply-chain efficiency, enhance road safety, support more balanced regional development, and renew the UK's ambition to be a global leader in transport innovation and logistics.

While the cancellation of HS2's second phase was unwelcome to businesses, there are indications that a potential revival could be on the cards. Political momentum behind transport investment is clearly building. Yet one major opportunity remains underexploited: unlocking the economic and environmental benefits of a more efficient rail freight system. This report's findings show that manufacturers are keen to improve their logistics performance, but face persistent barriers including high costs, limited access, and inflexible capacity, whilst equally placing value on speed, reliability and safety for a better transport system. Given the high expense of large-scale rail expansion, Make UK proposes a more targeted, scalable strategy to meet national goals of increasing rail freight volumes by 75% by 2050[44] and enable a meaningful modal shift from road to rail, delivering practical gains for business, the environment, and the wider economy.

As the UK seeks to revitalise its transport infrastructure, strategically upgrading key freight nodes with logistics hotels in Crewe and Felixstowe offers a cost-effective way to decarbonise logistics, boost exports, and rebalance regional growth.

By joining the dots across the network through targeted investment in multi-modal hubs, modern rail connections, and digital freight solutions, the UK can create a high-efficiency industrial and export spine that drives long-term economic growth. Additionally, modernising how rail freight container space is sold, particularly through digital tools, may also make rail cargo more accessible to a broader range of businesses and passengers, and help cut carbon emissions and other pollution, therefore advancing the UK's goal of achieving net zero.

These recommendations address supply-side capacity constraints via targeted expansions as well as demand-side growth through improving access.

By embedding rail into a broader long-term strategy for multi-modal transport efficiency, the UK can unlock substantial economic value, improve road safety, and make tangible progress toward its decarbonisation goals. This is not only a chance to invest in infrastructure now, it is an opportunity to reshape our economy for the next century.

[44] Government sets ambitious target to grow rail freight by at least 75% - GOV.UK

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Viewpoint

It is positive to see UK transport infrastructure at the heart of current discussions and debates among policymakers as we strive to enhance our capability to move goods across the country. Upgrading and integrating road, rail, and port infrastructure through an improved intermodal transport network, is critical for boosting productivity, decarbonising transport, and supporting long-term competitiveness.

With 61% of manufacturers primarily relying on roads, there is a significant opportunity to further identify the role of rail freight as a mode of transport and increase its relevance to manufacturers. This aligns with the government's goal to increase rail freight volumes by 75% by 2050, bringing substantial environmental benefits such as reducing lorry journeys and cutting CO_2 emissions, as well as improving road safety by decreasing the number of lorries on our roads.

Our report points to key barriers that need to be addressed to achieve this, such as high costs, limited access to terminals, connectivity challenges, and insufficient flexibility for smaller goods volumes. While road freight will continue to drive higher utilisation due to its ease, flexibility, and cost-effectiveness, it is crucial for policymakers to prioritise resources to enhance our transport infrastructure for the long term. Our recommendation for the development of logistics hotels or advanced technology to remove resistance to ticketing, could ultimately drive increased demand.

Many of our clients tell us that for rail utilisation to increase, there needs to be greater flexibility and connectivity. The enhancements to rail proposed in our report could greatly benefit manufacturers of all sizes, and here at Barclays Corporate Banking we're committed to identifying the barriers that our clients may face so we can support them in any way we can. Our collaboration with industry bodies like Make UK is an example of how we're delivering for the sector, going beyond numbers and supporting its plans for growth.

MAKE uk
The Manufacturers' Organisation

Make UK is backing manufacturing – helping our sector to engineer a digital, global and green future. From the First Industrial Revolution to the emergence of the Fourth, the manufacturing sector has been the UK's economic engine and the world's workshop. The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges. Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward-thinking, bold and versatile sector, manufacturers are engineering their own future.

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