

ONLINE

More wagons for Mendip Rail



VTG has signed an agreement with Mendip Rail Limited for the hire of around 130 new aggregate wagons – a mixture of hoppers and boxes.

They will be used to move stone from the Aggregate Industries and Hanson “super-quarries” in Somerset to a range of destinations, many in London and the South East.

Delivery of the wagons is due to start in summer 2016.

Sales and Marketing Director Ian Shaw was delighted to have signed the deal with Mendip Rail.

He explained that demand for aggregate wagons is at a high and that VTG’s aggregate wagon fleets are currently fully utilised.

“There is plenty of evidence suggesting continued growth in the demand for the movement of construction materials by rail.

“Figures published by the ORR in September,” he said, “show the movement by rail rising from 0.97 to 1.04 billion net tonne kilometres. That’s a jump of 7.1% compared to the same period in 2014 and there is little, if any, spare wagon capacity available to meet the sector’s needs.

“These state of the art vehicles with their improved speed of operation, track friendly bogies and class leading payload efficiencies will bring numerous advantages for our customers.”

Jason Black Mendip Rail’s Managing Director said: “I am very pleased that VTG challenged conventional rail industry practices in order to win the tender.

“The placement of such a large order is an indication of the optimism shown by both Aggregate Industries and Hanson in the continued growth from their current and future rail supplied depots, coupled with their strive to further reduce road haulage miles.”

Meeting the Challenges

Meeting the challenges thrown up by the railfreight business can be tricky. Just take a look at the situation the markets have presented VTG.

The UK’s steel industry has been hit by the cooling Chinese economy and its dumping of vast stockpiles of steel into Europe. Coal meanwhile is in decline, hit hard by the government’s carbon tax policy.

As a result there are, for example, coal wagons in the market, some just a few years old, standing idle.

On the other hand the growing construction sector, boosted by both current and

forthcoming demand from a wide range of large scale building projects such as Cross-rail, HS2 and Hinckley Point, has placed great importance on the availability of our aggregate wagon fleet, which is currently fully utilised.

Booming too is intermodal railfreight, which has seen growth caused in part, ironically, by our thirst for cheap goods from China.

So what do we do? In this edition of Online we’ll take a look at what we and our customers are doing to manage this growth and decline.



Keeping the wheels moving

Can we fix it? Yes we can! With a team of specialists and years of experience, we pull out all of the stops to keep the wheels moving, even when things go wrong.

Online talks to Ian Shaw, VTG's Sales and Marketing Director about what happens when there's trouble afoot.

"VTG's determination to make sure its wagons are always available where and when the customer wants them lies at the heart of our business.

We work hard to continuously improve quality and reliability, as well as to innovate, in order to maintain our position as the leading independent provider of rail freight wagons in the UK.

Numerous highly skilled and experienced professionals throughout the VTG organisation, both in the UK and abroad, make sure that our wagons are built and maintained to the highest standards and that everything works as it should.

However on (hopefully) rare occasions, factors beyond our control such as operational or infrastructure based incidents may cause things to go amiss. When this happens, wagons can become derailed or damaged meaning repairs are required.

Whilst built to be robust and to withstand the day to day toil of having 75 tonnes of rock or steel dropped in to them and subsequently "grabbed" back out, the sheer amount of energy involved in even a slow speed collision or derailment of a fully loaded train of wagons at over 100 tonnes each, means that damage can and will occur.

On one level, managing damage repairs to rail wagons might seem very similar to getting your car fixed after a shunt. There may be insurance companies involved, photographs and repair estimates required, with customer approval for the work to begin often necessary. However, if a rail wagon needs a major repair, the actual process will inevitably be very different from taking your damaged Ford Mondeo into the local garage to be fixed. Due to mass production and a network of dealers and specialist repair shops, the car can usually be fixed quickly, often with parts available 'off the shelf'.

For a rail wagons, normally built in production runs counted in tens, or occasionally hundreds, rather than hundreds of thousands or even millions, things are different – we usually have a lot of work to do before we can even start repairs.

As well as sometimes needing to work with regulatory authorities and external specialists, whilst liaising with customers, insurers, train operators and repairers, it is not always a straightforward matter to get the wagon to the workshop that will do the repairs. After the derailment of a number of our aluminium bodied "JPA" cement wagons a couple of years ago, a 1200 tonne telescopic crane, the largest of its type in the world, had to be brought in simply to lift the

repairs – both to ensure the wagon is restored to the required levels of safety, performance and reliability, and also to protect the value of VTG's asset, which may well have another 30 years life ahead of it. This means that VTG's technical and operations teams have to work with the repairers to identify what is needed for each specific incident and, whilst a significant level of spares are held to support the fleet, it may well be that the nature of the

damage, particularly where structural repairs are needed, means that some parts have to be made to order.

Additionally we have to consider the answers to questions such as: Cost of repairs versus the value of the damaged wagon? How readily available are the parts required? Are there obsolescence issues? How long will the wagon be out of service?

Unlike the wagon maintainers and repair workshops, VTG makes no money from damage repairs – it's part of the service we provide to our customers. For the majority of "minor" incidents just a

small administration charge is made which covers part of the cost of arranging repairs, and for major incidents (hopefully few and far between) we simply look to recover our costs, eg the provision of specialist support, attendance at enquiries, etc – things that will normally be covered by insurance anyway.

Talking of insurance, for a small daily supplement to the wagon hire charge VTG can also offer its customers "Wagon Damage Waiver Insurance". In the event of a significant damage claim, and subject to payment of an excess, this removes the customer's liability for loss or damage to the wagons affected. Depending on the nature of their wider insurance coverage, many of our customers find this to be a very attractive and reassuring proposition.

At the end of the day VTG does everything it can to assist its customers throughout the process of getting their wagons back in service. We at VTG believe we are the best in the business for making sure the situation is managed with as little disruption as possible. There are a whole lot of things happening behind the scenes that the customer doesn't need to see or get involved in and we want to keep it that way.



wagons from the site of the incident. You may remember seeing the footage on the BBC's "Crane Gang" documentary!

In the event of a serious incident, VTG's on-call team will be alerted and may need to attend the site to advise or oversee recovery. If the Rail Accident Investigation Branch are involved we may need to work with them to assist with enquiries or help ensure that the necessary lessons are learnt and fed back to the industry in order to improve safety.

All wagons involved in any derailment will be examined by specialists to establish whether they can safely be recovered by rail or if alternative transport is required. Although the managerial process is similar, there isn't a standard formula for wagon repairs. Every damage occurrence is different and we often have to provide bespoke

Transformation for neglected flat wagons



FBA's get working life extension.

VTG has purchased 24 former British Gypsum 40' flat wagons and is in the process of injecting them with a new lease of life.

Three of the FBA type wagons have already been transformed at Wabtec's Doncaster works and the remainder are scheduled to receive the same treatment early in 2016. Wagons that were recently in a sorry state are now back in traffic – to all intents and purposes as new vehicles.

Ian Shaw, VTG's Sales and Marketing Director, said although the wagons hadn't seen

action for years, VTG had recognised an opportunity to use them in intermodal traffic – a significantly buoyant market where there is demand for 40' platforms.

"All of the forecasts indicate a continued growth in the maritime intermodal sector and this has been borne out through the level of demand for our Ecofret wagons," he said. "These FBAs are in many respects a prequel to the Ecofret.

"Clearly they needed a certain amount of TLC having been left for some time,

neglected in sidings being slowly overgrown by vegetation," he said. "However, these are still relatively young wagons, built in 1994 by the respected Finnish manufacturer Rautaruukki to their renowned robust structural standards. As well as carrying out a complete overhaul and replacement of any wearing parts, we have changed the original container twistlocks for spigots making them more "user friendly" to port operators. We have extended their working lives, giving them another 15 to 20 years."

New Ecofrets to run in Felixstowe's newest intermodal train

GB Railfreight has placed an order with VTG for the long term lease of 15 triple-platform Ecofret wagon sets following the award to the freight operator of the latest train path from the Port of Felixstowe.

The Ecofret platforms are being built by Greenbrier in Poland and will be delivered next summer following final assembly and testing in the UK.

GBRf began operating the new trains on the 31st path out of the Port of Felixstowe in September 2015, having won the right to do so in a competitive bidding process during last summer.

This path allows GBRf to run trains from

Felixstowe to Birmingham Intermodal Freight Terminal (BIFT) at Birch Coppice in the West Midlands, a major intermodal freight terminal owned by Maritime Transport. It is the first train to serve this route out of the Port, meaning it will be actively switching freight from road to rail.

It is GBRf's seventh path out of Felixstowe.

The train is currently configured with 33 VTG-AAE Megafrets twin platform wagons and upon delivery of the Ecofrets will grow to 45 platforms (90 TEUs).

Ian Shaw, Sales and Marketing Director of VTG, said: "The acquisition of AAE by VTG earlier in 2015 gives us an unrivalled



ability to provide a range of wagon solutions for UK Intermodal traffic. Whilst we are pleased to be in a position to support the launch of the service with readily available Megafret wagons, the long term efficiency that Ecofrets will bring to this maritime intermodal traffic is what really makes the difference. It supports our belief that they are changing the economics of UK maritime intermodal rail freight."

Chris ponders rail career opportunities



VTG helps broaden Chris' horizon.

Chris says that his first few weeks have opened his eyes to potential employment opportunities and made him think again about his own future.

"The VTG UK Office is a really nice place to be and all the staff have been very welcoming," he said.

Chris Parker is the latest Year in Industry (YINI) student to join VTG. Currently in the third year of a four year course, Chris is studying Automotive Engineering at Coventry University – at least for now.

"A question I'll be asking myself throughout this year is whether I still want to complete an automotive degree or switch to a mechanical engineering degree.

"This is a small change but could broaden my prospects of employment.

"I never thought about the rail industry before applying for placement but being here has made me realise there is a lot more to engineering than that of large automotive companies."

Chris has already been out and about.

"I have so far managed to visit Long Marston to attend a rail safety awareness course plus a number of other sites and workshops with Nigel Day, VTG's Head of Engineering, to gain wagon knowledge.

"I've also picked up the tail end of a few of Sam Hunt's projects, the previous YINI student. So I have visited Wabtec in Doncaster one of our maintenance contractors on a few occasions."

So what does he hope to gain from his year in industry?

"I feel at the moment I'm still getting my feet under the table but I have started a few new projects myself and have planned to

help Adrian Freely, VTG's Fleet Engineer, on a few of the most recent developments within the VTG fleet.

"I'll be looking to get out of the office more as my projects build and I think by the end of the year I will be much better prepared to complete my degree with vital experience in real world engineering.

"I think something that is really good and quite unique about VTG is that I will be able to learn about more than just engineering. I'll be able to improve my business knowledge as well as having a real understanding of the logistics of the railway industry.

"The departments in the office are very well interconnected so I've already learned a lot by listening to conversations between colleagues in different departments."

So Chris has some questions to ponder. Tougher, perhaps, than his first encounter with VTG.

"The funny thing about my introduction to VTG was that neither Nigel nor Sam knew about my interview until moments before. It was quite an experience but I must have done something right!"

John Jagger – "one of life's gentlemen"



As many will by now be aware, John Jagger, former managing director of VTG UK passed away suddenly on 27 August this year. He was 73.

John will be sadly missed by his wife Judith, his three children Tim, Sarah and Rob, their partners and his six grandchildren.

The funeral service was held at St Andrews Church, Barnt Green on Monday 7 September and was followed by a private cremation at Redditch Crematorium.

Born in Yorkshire, John trained as a chemical engineer who first became involved with railfreight whilst working at ICI, who at that time owned and operated their own wagon fleet. John subsequently moved fully into the railfreight rolling stock sector, working for Procor.

During his successful career John went on to become managing director of CAIB UK and then, in 2002, VTG Rail UK when CAIB's parent, Brambles European Rail Division, was bought by VTG in Germany.

John remained in charge at VTG until he retired in 2006.

Maria Connolly, right, VTG's Service Delivery Manager, knew John well and paid tribute to him for the influence he had on her career.

She said: "I have known John for all of my working life having first met him when I joined his sales and marketing team at Marcroft Engineering in 1988. He was like a father figure to me and I became close friends with both John and Judith. As one of life's gentlemen, he will be greatly missed by us all.

"I wanted to do something in John's memory so decided to run the Birmingham half marathon to raise funds for a charity of the family's choice. As John was a big supporter of children's causes Judith suggested the Acorns Children's Hospice."

Maria's JustGiving page can be found at www.justgiving.com/JKJ/



State of the art Hope wagons pass the test



The first new JPA cement wagons delivered to Hope Construction Materials underwent trials at their brand new, partially completed, Dagenham cement depot in early November.

The trial was to ensure that a full length train of 24 wagons could fit the sidings in reality – as well as in theory. This having arrived in the UK, finally, after an arduous journey from their place of construction, Wittenburg in Germany.

The Hope wagons left Germany on 1st August arriving in Britain at the end of October – a journey of almost three months.

A significant part of that delay was caused by the refugee crisis at Calais, which was then at its height. Another contributing factor was the knock on effects of the Belgian rail strikes in early October.

Hot on the heels of the Hope wagons was a further set of 19 JPAs for Hanson Cement, which were delivered via the Channel Tunnel in November after experiencing delays, albeit less severe, for similar reasons. Rob Brook, VTG's Managing Director commented: "VTG understands the scale of the difficulties faced by all caught up in this humanitarian crisis

and we appreciate the challenges faced by all involved in delivering these vehicles to the UK at this time. We are pleased that the government now appears to be recognising the impact of disruptions to this vital trading link on UK business, not just on deliveries of new wagons, but the ongoing viability of daily rail freight services to and from the UK".

Now that the new wagons are in use they have already started to improve Hope's ability to consistently transport over a million tonnes of cement per annum from their manufacturing plant to depots, for onward road deliveries to cement customers across the UK.

The new JPAs are built from aluminium, reducing weight and with it, fuel consumption and carbon emissions. The wagons will also be quieter than older alternatives, utilising track-friendly bogies, which, in addition attract lower track access charges and benefit from longer service intervals.

The new wagons weigh less, so they can carry more product – in other words fewer trains are needed to achieve the same annual volume.

It's clear that VTG's investment in the latest freight rolling stock and its determination to be at the forefront of technological development is essential in ensuring its customers get the best deal possible.

Kevin is the A-Team's hotshot

VTG's latest appointment to its Service Delivery Team is Kevin York who is now working within Mendip Rail's base in Merehead, Somerset as VTG's fleet controller.

Kevin is the second fleet controller recruited by VTG specifically to be co-located within a customer's organisation. Kevin follows Martyn Catlin, who works alongside GBRf in Peterborough.

Working directly with the customer on site gives Kevin first-hand knowledge of what is happening on a day-to-day basis, which means that trouble can be anticipated, problems solved and efficiency maximised and as quickly as possible. In the same way that the layout of VTG's offices is designed to maximise information flow, including "informal communication" (e.g. simply overhearing snippets of discussions in the office), the co-location principle means that VTG works as closely as possible with its customer, making sure that the efforts and objectives of both organisations are always aligned.

As Kevin relates: "Working within the Men-

dip Rail operations centre means I'm totally immersed in their business and that means I can adapt wherever possible to fit with any last minute changes that happen in operations. For example, I might get to know that a particular train can't run tomorrow due to a network problem or a customer outage. I can then look at the wagons involved and look for opportunities to bring maintenance forward whilst no trains are running so that availability will be maximised when the service resumes. Equally, I might hear that a particularly intensive work campaign is due to start in the next couple of weeks and, using my knowledge of Mendip Rail's operations I can suggest how the wagon fleet could be rearranged so that the optimal set of wagons (e.g. those that won't need any maintenance during the campaign period) can be in the right place at the right time!"

Kevin has a wide range of engineering experience. He completed his mechanical apprenticeship in the car industry and progressed up through the ranks to become the

service manager of two main dealerships.

He then moved successfully into commercial vehicle leasing and workshop management and then on to running a bus company workshop.

Whatever spare time Kevin has he seems determined to fill it – and being a mechanical engineer is clearly more than a career for Kevin. In his spare time he restores tractors. Another hobby is shooting. "I shoot for my county, Somerset and I'm a member of the local target rifle club," he said, "where I shoot for the A team. We have won the 1st division for the last three years."

Kevin goes on to explain what else he does with what's left of his spare time.

"I follow Formula 1 and usually go to a race every year. This year I went to the Singapore Grand Prix."

Kevin is married with two daughters, now 17 and 14. Oh, there's one other thing – he's just finished building his house!



VTG helps young people to make themselves employable

As a company with a conscience and a history of supporting the development of young talent through initiatives such as the Year in Industry scheme, we decided recently to become a sponsor of the educational logistics business game – *Business on the Move*.

Business on the Move aims to inspire and excite young people about how business and global supply chains work.

As a sponsor of the initiative VTG has linked with a local school – the Hillcrest School in Bartley Green, Birmingham as the recipient of VTG's support and a number of educational business development tools including the *Business on the Move* game.

The basic idea of the game is that players run a logistics business moving products from China to the UK market by air or sea as quickly, profitably and environmentally responsibly as they can.

Once landed, a further stage involving rail or road transport must be negotiated.

Players must make the same decisions that real businesses make every day. How do I deliver? Will I make a profit? How should I grow? How can I cut my carbon footprint?

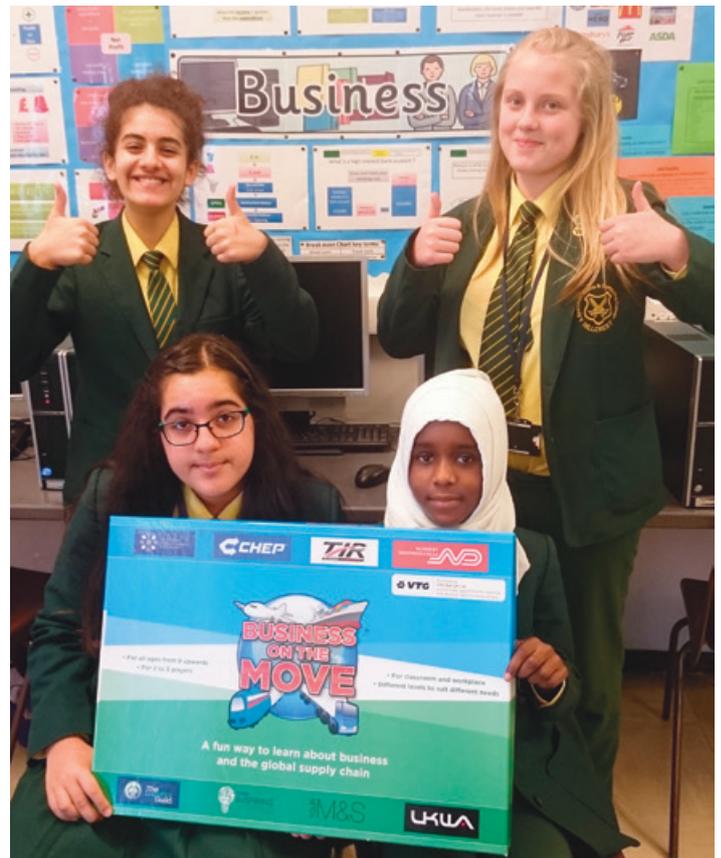
VTG's Sales and Marketing Administrator and Hillcrest former pupil Caitlin Lippitt went along to the school with Sales and Marketing Director, Ian Shaw to hand over the games.

"The pupils' first reaction was to shout 'awesome!'" said Caitlin.

She explained that *Business on the Move* will provide teachers, trainers and young people with a variety of exercises to boost learning across the curriculum and to celebrate the diversity of the logistics sector.

"It is a great way for youngsters of all abilities from the age of nine upwards to begin to appreciate what business life is all about. The game can help to develop the skills, habits and attitudes that they need in their future working lives," said Caitlin. "It's also ideal for use with apprentices, graduates and other new recruits and I'm sure there are more than a few existing staff who would like to play the game too," she added.

In fact, so positive has been the response from the logistics industry, that *Business*

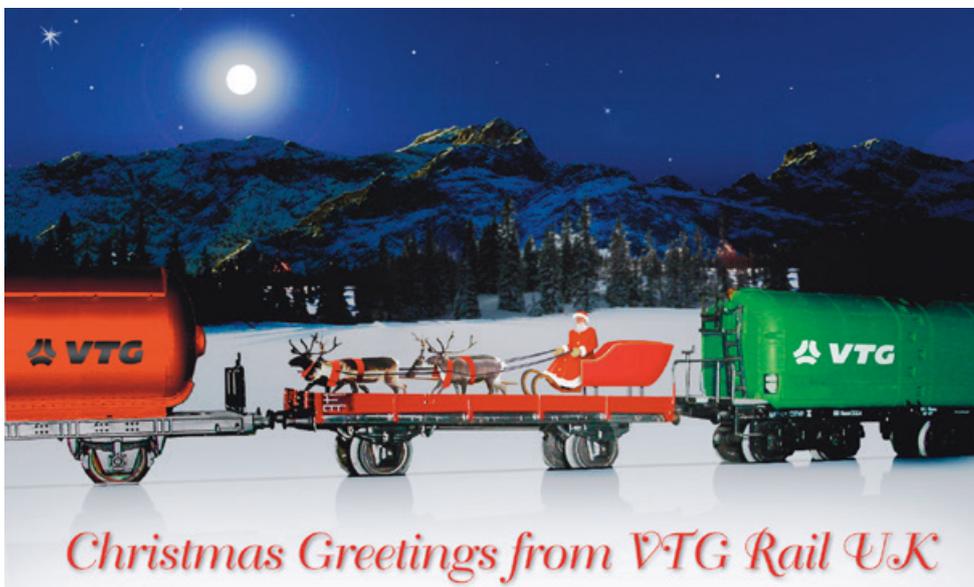


Hillcrest girls give VTG the thumbs up.

on the Move can now be played at seven different levels, which, at the higher end include such aspects as palletisation, reverse logistics and cash flow.

One of the game's unique features is that real businesses feature as themselves not only on the board but also through all aspects of the game. Familiar names that appear alongside VTG's include Network Rail, Potter Logistics, GB Railfreight and DP World London Gateway, to name a few.

Caitlin added: "Having this level of actual company involvement makes the game so much more real and so much more useful to young people."



Christmas Greetings from VTG Rail UK

VTG Rail UK wishes all of its Online readers a very merry Christmas and a prosperous and healthy 2016.

Once again we will be giving to charity the money saved by having an e-card.

This year we are supporting:

- Retired Greyhound Trust
- Muscular Dystrophy
- Way of Hope
- mnda (motor neurone disease association)
- Acorns

The company has also made a donation to Acorn Children's Hospice in memory of John Jagger.