Rail and Urban Transport Review

January 2024

About Logistics UK

Logistics UK is one of the country's largest business groups, supporting, shaping and standing up for safe and efficient logistics. We are the only organisation representing the entire logistics sector.

We represent a sector delivering an increasingly innovative, productive and sustainable system of essential national infrastructure. This system ensures the availability of the products that households, businesses and public services rely on every day, and is supporting the UK's transformation for the future. Our membership of over 20,000 includes global, national and regional businesses and SMEs spanning the road, rail, sea and air industries as well as the buyers of freight services, such as retailers and manufacturers.

Response to the Call for Evidence Questions:

Growth opportunity through unlocking planning

1. **What do you view as the current key challenges hindering the delivery of rail and urban transport networks and infrastructure?**

   As noted in our recent response to the government's call for evidence on freight and logistics and the planning system, the sector believes that fundamental reform of planning is required to ensure better efficiency of freight movements and to support decarbonisation. Local plans must engage with the logistics industry from the outset and throughout their development, to both ensure the sector has space to grow and that other developments are conducive to freight efficiency. Expansion of networks is often challenging due to space constraints and budget limitations. Acquiring land for rail and transport infrastructure can be both a lengthy and complicated process. The logistics sector recognises the need to decarbonise and must be enabled to do so through a more supportive planning environment.

   Public perception of logistics sites/depots is often unfavourable, with resistance to new developments a common occurrence. However, the importance of these sites and depots cannot be understated. Logistics sites are the backbone of the supply chain, facilitating the efficient movement of goods that is vital for sustaining our modern economies and meeting the demands of a growing population. Logistics sites and depots contribute significantly to economic development by generating employment opportunities and fostering regional growth. The transportation and warehousing activities associated with these sites create jobs for a diverse range of skill sets. This economic contribution extends beyond the immediate vicinity of the sites, positively impacting the broader community.

   Stronger direction is needed from Government to ensure national transport priorities are identified and embedded throughout the planning system. Government direction is crucial for promoting seamless integration amongst numerous transportation modes, optimising connectivity, and reducing bottlenecks. A coordinated, multi-modal transportation system enhances overall efficiency, reduces congestion, and minimises environmental impacts, contributing to a more sustainable and interconnected network.

2. **What spatial planning and associated policy and legislative changes would help unlock the delivery of rail and urban transport projects?**

There is a substantial degree of disconnect between the various strategic and operational levels of the national and local planning system. While the National Planning Policy Framework (NPPF) both recognises the importance of sustainable transport, including freight, and encourages local authorities to identify sites for logistics, the implementation of these aims at a local level is often inconsistent and conditional on local authorities' support for, and understanding of, the freight and logistics sector.

To improve this situation, the government needs to progress the development of a National Freight Network as committed to in its *Future of Freight* strategy. This network must identify the key routes, hubs and nodes for freight movements, as well as setting out how transport and energy infrastructure needs to adapt to meet economic and decarbonisation ambitions. Alongside this, Government must also establish a strong statement within national planning policy about the economic importance of the freight sector and set out a clearer requirement for local plans to provide sufficient land allocations for warehousing and logistics.

As noted above, development of transport plans must be done holistically, with sufficient consideration given to the need of the logistics sector to access businesses and communities. This can be done in a way that both supports efficient freight transport and supports local public transport, active travel and decarbonisation aims.

Clarity and certainty of policy and funding

1. **What are the key tenets of a successful, strategic long-term policy for the delivery of rail and urban transport networks, taking into account wider decarbonisation and transport integration goals?**

To deliver the innovative and integrated infrastructure that the UK needs to thrive, a national logistics network, backed by reforms to planning and alignment between national, regional and local plans, 30-year infrastructure strategies and five-year delivery plans, must be developed and clearly communicated. This is a strategy under which all detailed shorter-term investment plans will sit. Such a strategy is hoped to provide both clarity and direction for the logistics sector from the government's decision-makers.

As well, there must be an allocation of funds for the strategic expansion of rail networks, identifying key corridors that enhance connectivity, support economic growth, and reduce congestion. Expansion projects should align with long-term urban planning goals and regional development strategies and support the decarbonisation agenda with the installation of electrification projects, the advancement of energy-efficient technologies and the procurement and maintenance of modern rolling stock (electric locomotives).

The substantial potential for electrification of the UK's rail network is revealed by the electrification strategy research conducted by the Chartered Institute of Logistics and Transport (CILT)[1]. By the mid-2040s, 95% of rail freight operations in the UK may be electrified, as shown in the comprehensive map and strategy. According to the study, the UK needs just 800 miles of additional electrification to allow the electrical haulage of 95% of rail freight. A £100 million-per-year electrification strategy covering 40 route miles each year for 20 years is required to capitalise on this significant opportunity to assist the UK in meeting its decarbonisation and net-zero ambitions.

[1] CILT Rail Freight Electrification Map Commentary

2. **What reforms to current transport funding approaches would support the safeguarding and expansion of rail and urban transport networks and infrastructure? Does the Green Book allow for sufficient factors to be taken into consideration and what should any additional factors/considerations be regarding infrastructure?**

   The establishment of dedicated funding streams specifically allocated to rail transport projects, coupled with the implementation of long-term funding commitments, lays the foundation for a sustainable and resilient transportation infrastructure. This dual approach not only ensures a consistent and reliable flow of resources for ongoing maintenance and enhancement of existing systems but also provides the financial certainty needed to undertake ambitious, large-scale projects that contribute to the overall development and efficiency of the rail transport network.

   While the government has committed to review of Green Book rules, there is still a perception that transport investment that supports the movement of goods and/or contributes to regional is not given sufficient weighting. Infrastructure has a critical role to play in supporting growth and Treasury decisions must take this into account.

3. **What role does the maintenance of existing transport assets play in harnessing growth and how could the current approach be improved?**

   In an era of constrained public finances, there must be an emphasis on getting more out of what we already have. This must be accompanied by an intelligent, proactive maintenance programme that identifies and remedies problems before they pose a threat to the safety or reliability of a route. Infrastructure providers must strike the right balance between keeping interventions (and therefore disruption) to the minimum level needed to maintain the asset and ensuring that the whole asset lifecycle and broader economic impact are considered. There will be instances where a single, major asset renewal will have a smaller overall impact on freight users in the long term than several smaller interventions over same period. Achieving value for money is important, but any calculations must also consider impacts on the business models of critical freight users of that route.

   Funding must be provided on a long-term, stable basis to enable local authorities to plan and deliver road maintenance schemes and significantly improve the condition of the network from its current state.

Devolution and sustainable partnerships

1. **What role does devolution have in supporting and accelerating the delivery of rail and urban transport networks and infrastructure fit for the future?**

   Local governments and combined authorities have targeted local transport priorities, with devolution hopefully enabling better integration transport planning with other local policies such as land use planning and economic development. However, devolved bodies should also be required to demonstrate how they integrate with national strategic transport priorities.

   It is understandable that regional transport plans often place a significant focus on the need to address passenger transport issues in their areas, however, this must be considered alongside, instead of separate to, freight. The benefits of modal shift in passenger movements are a case in point, with a reduction in single passenger car journeys likely to bring corresponding improvements in congestion, making freight journeys more efficient and lowering emissions.

2. **How can effective relationships be facilitated between all tiers of government, to help accelerate growth and deliver rail and urban transport networks and infrastructure?**

   In government, across all tiers, there needs to be cross-departmental teams with regular engagement and a dedicated point of contact, fostering a collaborative and cohesive approach to project implementation. These cross-departmental teams must bring together representatives from various government agencies involved in different facets of rail and urban transport projects. As well, they should define clear and shared goals for rail and urban transport projects that align with broader economic, social and environmental objectives.

3. **How can the capacity of public bodies be enhanced to effectively partner, procure and deliver urban transport and rail networks and infrastructure and provide value for money?**

   Enhance the organisational structure and governance of public bodies responsible for urban transport and rail infrastructure. Ensure clear lines of responsibility, effective decision-making processes, and streamlined communication channels.

   A well-structured organisation with clear responsibilities, effective decision-making processes, and streamlined communication channels is better positioned to navigate the complexities of large-scale infrastructure projects and deliver sustained value to the communities it serves.

Private sector and industry capacity

1. **How can effective private sector investment be best leveraged in the long term to unlock growth?**

   It is important to understand that the logistics sector will always be a public-private partnership. Thus, in establishing a regulatory environment characterised by policy stability and consistency, it is felt that government can instil a sense of confidence among investors, fostering a climate that not only mitigates investment risks but also actively promotes economic resilience and sustainable development. This stability is especially crucial in encouraging innovation and the widespread adoption of innovative technologies. Clear and consistent laws and regulations provide investors with a sense of security. Frequent changes in policies can introduce uncertainty, making it difficult for businesses to plan for the future and assess potential risks accurately.

   Cementing the UK's position as a global logistics leader can offer an important route to realising the boost to growth. A collective effort is required, with the government collaborating closely with businesses to ensure that the country's logistics sector can operate optimally, thereby bolstering overall economic growth and global competitiveness. Raising productivity, therefore, is an important challenge for UK policymakers; higher productivity translates into greater economic growth, which in turn, improves standards of living and increases the government's capacity to spend.

2. **What can be done to build resilient and efficient supply chains and necessary skills to accelerate infrastructure delivery and maximise value/job creation to local communities?**

   Logistics networks are creating a seamless flow of information and goods, reducing manual intervention and minimising bottlenecks in the supply chain. Supply chains are being transformed by the development of a more digital environment, with distribution systems becoming autonomous and connected. It is evident to see that emerging economies are continuing to make strides in end-to-end supply chain digitalisation, propelling their industries into the forefront of the global market.

   This evolution underscores a paradigm shift in the way goods and services move across the landscape, as supply chains increasingly rely on interconnected technologies and autonomous systems to optimise operations and respond dynamically to the demands of the modern market. The

integration of digital technologies is not merely a trend but a fundamental restructuring, reshaping traditional supply chain models and fostering a new era of efficiency, resilience, and responsiveness.

Building the necessary skills to support this technological advancement will require a comprehensive and collaborative approach. There must be collaboration with educational institutions, vocational schools, and industry partners to design curricula that align with the specific needs of the infrastructure sector. As well, partnerships must be formed between government entities, private sector companies, and educational institutions to create training programs. This ensures that the training provided is aligned with industry requirements and reflects the latest technological advancements.

3. How to best harness the benefits and be adaptable to future technological trends in the sector?

It is imperative that skills training and courses are more readily available for people to learn these new skills – whether upskilling existing staff or bringing in new staff – to help reflect the changing nature of the logistics sector. Whilst logistics businesses are taking action to adapt to future technological trends, current economic conditions mean companies are upskilling employees by increasing training, expanding overtime and enlarging the number of staff.

Ellis Shelton
Senior Policy Advisor
Logistics UK
eshelton@logistics.org.uk