FREIGHT AND LOGISTICS AND THE PLANNING SYSTEM: CALL FOR EVIDENCE

6 October 2023

Summary

- The logistics sector believes that fundamental reform of the planning system 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.
- Stronger direction is needed from Government to ensure national transport priorities are identified and embedded throughout the planning system.
- The recent emphasis on providing HGV parking and driver facilities is positive but the planning system can do more to support the development of more and better service areas.
- The logistics sector recognises the need to decarbonise and must be enabled to do so through a more supportive planning environment.

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 call for evidence

Question 1

In your view, how effective are local plans at identifying development needs, and then allocating sites, for freight and logistics and how could this be improved?

There is a widespread view among the logistics sector that local plans are not universally effective at recognising the importance of logistics to local and national supply chains, allocating sites for further development and protecting existing sites and infrastructure.

This lack of effectiveness frequently stems from a poor understanding of the current and future needs of the sector and its role in the local economy. As discussed below, there needs to be a far stronger level of engagement between planning authorities and the logistics sector, as well as a thorough review of the data collected and utilised in setting local plans, to ensure they allocate sufficient space for the expansion and future development of logistics sites as well as anticipating economic trends and infrastructure requirements.

Local plans must also ensure that they achieve a fair balance between housing needs and industrial usage. During consultation with Logistics UK members, many examples were cited of local plans that had spoken positively about the needs of the freight sector, but subsequent revisions had removed site protections and allocations in favour of housing developments, with the London Plan a prime example of this. While there is an inherent need for flexibility in local plans, this must not come at the expense of logistics sites, which are ultimately needed to service growing communities.

Similarly, this flexibility must also be used to ensure that local plans adapt to the changing circumstances of the logistics sector, such as changes in consumer demand, new technologies or the drive towards net-zero.

Question 2

How effectively are the policies in the national planning policy and associated practice guidance applied by plan makers in supporting the needs of freight and how could this be improved?

There exists 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.

There are also substantial gaps in the suite of national policies that should guide planning for logistics. The lack of a National Policy Statement for airports is one such example and has contributed to delays and indecision surrounding the expansion and re-opening of airports for freight use. Similarly, as Logistics UK has noted elsewhere, the Government does not have a clear and defined set of strategic objectives for the UK transport network, which leads to short term and inefficient infrastructure planning[1].

To improve this situation, the Government needs to progress the development of a National Freight Network as committed to in *Future of Freight.* 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 then 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. A revised NPPF should sit alongside a suite of policies that both cover and support integration between all logistics modes. A presumption in support of logistics developments, providing certain criteria are met, would provide certainty for the sector and help to speed up the planning process.

There must also be a greater degree of consistency in the application of the NPPF and associated guidance at a national level. Logistics UK members operating across a number of different planning authorities have reported wildly differing approaches when it comes to considering applications for new logistics sites. While there will always be a need for a degree of local determination in the planning system, this currently fails to give adequate consideration to the broader economic benefits of logistics developments.

Question 3

How effective is engagement between industry and local authorities in the course of local plan making? How can this be improved?

Engagement between industry and local authorities is inconsistent across England and can vary hugely between local areas, even across shared boundaries. Where this engagement is strong, local plans are more likely to reflect current and future needs and either allocate or protect land for logistics accordingly, while also considering the infrastructure requirements for freight and connectivity to local communities and businesses. Conversely, minimal or poor engagement leads to the issues identified in the responses above. Frequently the causes of poor engagement are either a lack of clear direction from local authority leadership, or more often limited capacity within authorities to conduct the detailed, ongoing and collaborative engagement needed to understand the needs and economic role of warehousing and logistics.

To be effective, engagement with industry must be built into the local plan development process at the earliest opportunity and be continued throughout. From a logistics perspective, this means mapping and anticipating current and future demand, industry trends and the need to ensure other commercial or residential developments can be serviced. Resources need to be better allocated and potentially increased in planning authorities to achieve this, while the sector itself must be willing to engage if it is to see improvements in the system.

Local plans must not consider freight and logistics solely as an independent sector, but should instead ensure that it is placed at the heart of considerations around all land use and infrastructure development, with the expectation that the sector will be able to provide input on the suitability of the plan to support economic development aspirations.

[1] https://committees.parliament.uk/writtenevidence/123281/html/

Question 4

How effectively does planning currently support more efficient use of established freight and logistics infrastructure and how could it better support existing infrastructure?

Feedback from Logistics UK members shows a mixed picture in terms of the effectiveness of planning in relation to established infrastructure. There are some notable examples of good practice, such as the effective integration of large-scale warehousing, road, rail and air infrastructure around East Midlands Gateway. However, there is more that can be done through intelligent strategic planning and decision making to encourage more efficient freight movements, reduce congestion and integrating warehousing with other transport modes.

In line with a national need to develop a long-term infrastructure strategy, the planning system must ensure that it supports the efficiency, maintenance and, where appropriate, expansion of existing infrastructure. There must be a far stronger requirement for local plans and transport strategies to align with national and regional objectives, as well as synergising effectively with those of neighbouring authorities. Key strategic sites alongside road and rail infrastructure must be protected for logistics operations, while urban planning should not preclude the efficient siting of warehousing and depots to support sustainable last-mile journeys.

There are specific strategic planning considerations when it comes to rail infrastructure. Improving rail capacity at significant bottleneck locations such as Ely Junction – where restricted speeds, signalling limitations and level crossings are a barrier to meeting increased demand for freight paths – is essential for supporting economic growth and addressing regional inequalities. Ely Junction is a crucial railway interchange with multiple railway lines that connect important economic hubs such as London, the East of England and the Midlands, however, struggles with frequent delays and congestion due to low capacity. Capacity upgrades enable higher levels of freight to be accommodated, trains being able to run more frequently and at higher speeds.

Question 5

How should freight and logistics be factored into statutory local transport plans and sub-national transport strategies?

The logistics industry is spread right across the UK, with some of the biggest and well-known firms based in less-affluent areas that have become the focus of the Government's commitment to 'levelling up'. Logistics UK therefore encourages and supports the desire set out by a number of local and regional transport strategies for transport infrastructure to play a more effective role in in enabling economic growth. We also recognise that our industry is, and will be, a critical enabler of that growth. Transport strategies must therefore acknowledge this and ensure that the needs of the sector are not seen in isolation from other transport challenges.

To achieve this, local and regional strategies must adopt and encourage creative solutions to their transport and logistics problems. We must acknowledge the structure and reality of the modern economy and the importance of logistics in providing essential goods and services to local businesses and communities. Transport policy must therefore be considered holistically, with achieving aims such as decarbonisation and active travel not seen as mutually exclusive with better, more reliable freight journeys.

To avoid some of the problems identified in question responses above, there is a real need for freight and logistics to be considered from the outset of plan development and to be integrated throughout considerations of housing, commercial, industrial and infrastructure land allocation. This requires a full and thorough needs analysis of the sector in a given area, as well as the role it plays in wider regional and national economic geographies, including the allocation of space for warehousing and storage, road access to local markets and communities, connectivity to ports and airports and opportunities for greater intermodal operations.

This holistic approach must also consider the impact of other forms of commercial and residential development on both the operation of, and space available for, logistics. As an example, as has been seen in London and other cities, the desirability of waterside sides for property development has reduced wharf access and therefore limited the potential of water-borne freight. Local plans must naturally accommodate the needs of a variety of stakeholders, but there is an understandable view among the logistics sector that it is not given sufficient prominence.

Local plans should have clear objectives for supporting the growth and development of the logistics sector in their area, which should be reflective of, and aligned with national objectives around freight and sustainability. These objectives should be prioritised and recognise the inherent compatibility of improving freight efficiency and locating storage facilities closer to markets and communities with broader transport sustainability and air quality ambitions.

Question 6

What aspects of the applications and decision taking process work well and what aspects do not work well?

The overall balance of feedback from Logistics UK members suggests that there more problems with the application and decision-making process than there are things that work well, with delays and opaque decision making significantly dampening the appetite for private investment. However, the earliest steps in the process do seem to be the most straightforward, with applicants and their advisers able to submit initial plans relatively easily.

However, the subsequent decision-making process is widely recognised as being unnecessarily slow, opaque and unhelpful to those seeking to develop critical logistics sites. Delays to planning bring costs to businesses and consumers and deter investors. As noted previously in this response, the system is under-resourced, with planning authorities lacking either the resource or sufficient knowledge to turn large-scale applications around quickly.

This is then compounded by a complex and bureaucratic process involving many actors. Statutory consultees are also dealing with resourcing issues and so can slow down applications. Logistics UK is pleased to see that reforms to the NSIP process are intended to improve the up-front input of such stakeholders and would encourage this approach across the planning system. Once these early considerations have been resolved, the focus must shift to delivering schemes swiftly and sustainably, with appropriate oversight, rather than being exposed to constant further challenge and the reopening of decisions.

There is a lack of consistency across the system in England, with logistics firms operating in multiple geographies citing wildly differing interpretations of both national planning policy and the economic importance of freight in different areas. A stronger emphasis on supporting logistics development is needed from national Government and must be reflected in planning guidance, while gaps in the suite of national planning policies must be urgently addressed in order to provide clarity for applicants and planning authorities alike.

Applicants are also frustrated by a perceived lack of support when it comes to challenging outdated or unfair perceptions of the industry and modern logistics sites. Even in areas where local plans recognise the importance of freight, applicants can face significant local opposition, due to concerns around noise, traffic or environmental impacts. While the sector acknowledges it must work constructively to address, mitigate and allay these concerns, with a great deal of decision-making resting with local politicians, there must be a far greater emphasis on ensuring decisions are consistent with local, regional and national economic priorities.

Question 7

How effective is the planning system at addressing the operational needs of the freight and logistics sector and how could this be improved? How could a national freight network be recognised in national planning policy?

At a national policy level, there has been a welcome increase in recent years in the level of recognition of the importance of the logistics sector and this Call for Evidence is a positive step forward from the *Future of Freight* strategy. Future revisions of the NPPF must go further still and ensure that freight and logistics is protected and enabled by national policy.

Logistics UK has been supportive of the concept of a National Freight Network and the role it could play in supporting long-term strategic decision making in relation to infrastructure and land allocation. In the first instance, the Network must comprehensively map the major routes used by freight, key hubs, nodes and points of entry and use better data to understand what is being moved and how. To assist with improved planning policy, work must then be undertaken to explore the future needs and ambitions of the logistics sector in relation to warehousing trends, technological innovation and decarbonisation.

National planning policy must subsequently reflect how the network will need to change in the future. This will include better allocation of land to support zero-emission last mile deliveries, aligned energy, road and rail infrastructure that enables decarbonised trunk movements and greater intermodal operability. Within the NPPF, there must be a clear commitment to maintaining and improving the National Freight Network.

As noted throughout this response, outcomes from the planning system rely on the interaction between national, regional and local policies. Work to develop a National Freight Network will therefore only be effective if it is integrated at each of these levels, with strategies and planning decisions adequately reflecting the role of new and existing logistics sites in both a local economic context and with regard to the entire freight system. On a practical level, the National Freight Network must carry significant weight in planning considerations, with a presumption in favour of schemes that support network ambitions. Secretaries of State must also make better use of the call-in process where local decisions fail to recognise the importance of projects to the network.

Question 8

How can the planning system support our net zero ambition for freight and logistics?

The logistics industry is embracing the challenge to achieve net zero and has made significant strides in reducing emissions and investing in new technologies. However, decarbonising surface transport and warehousing operations will also be challenging to achieve without a step-change in infrastructure provision and adoption of new fuelling methods. To go further in decarbonising freight movements, the industry needs confidence in both vehicle performance and the infrastructure that will underpin it. As an example, Logistics UK members regularly raise concerns about the availability of electric charging points, either due to demand from other road users or them simply not working. The planning system is an important lever in supporting the move towards net zero, both in terms of enabling sustainable logistics developments and ensuring local infrastructure and networks support decarbonisation.

In setting local plans, local authorities must engage comprehensively with the logistics sector to understand trends in relation to decarbonisation and then identify sites that enable efficient access to markets and local communities, as well as intermodal facilities, rather than seeking to keep them away from urban areas. Local planning must then also strive to make these access routes as efficient as possible; reducing congestion and particularly seeking to remove unnecessary single-passenger journeys, which will both ensure greater efficiency for zero emission vehicles and provide immediate benefits in terms of reduced emissions from existing fleets.

Planning systems should encourage the adoption of transportation modes that are inherently more sustainable. Modal shift promotes a more diversified and resilient transportation network, reducing dependency on a single mode and providing alternative options. Ports play a pivotal role in international logistics, whilst shifting freight to rail can help alleviate road congestion and improve overall transportation efficiency. Planning for green ports involves integrating shore power facilities, allowing ships to connect to the grid while docked, thereby reducing emissions during layovers. In addition, implementing sustainable cargo handling equipment and practices within ports contributes to the overall reduction of emissions associated with maritime trade. Leveraging water and rail transport, where feasible, can significantly cut emissions. However, modal shift is dependent on strategic planning that involves the development of navigable waterways and ports to facilitate more sustainable cargo transportation, and the prioritisation of investments in rail infrastructure, promoting the use of trains for long-distance freight, reducing reliance on emissions-intensive road transport.

At an operational level, many businesses have reported difficulties in securing planning permissions for decarbonisation or renewable energy generation at their sites, despite the enormous potential to achieve carbon reductions in this space. In the warehousing sector, for example, there is the opportunity to significantly increase the use of solar power through better use of rooftop panels[2], yet difficulties in securing grid connections and other permissions holding back progress. Similarly, Logistics UK members have reported long and difficult application processes to acquire land for, and to install electric vehicle charging areas. The planning system has an enormous role to play here. Permitted development rights should be reviewed to ensure that new and existing logistics sites can invest with confidence in renewable energy and carbon reduction schemes, while policy should require network operators to support this investment as much as possible.

Question 9

What more could local plans and decisions do to facilitate the supply of high-quality HGV parking and driver facilities?

The provision of safe, clean, and secure lorry parking and driver roadside facilities is an essential requirement for the logistics industry. While there has been some progress in recognising and beginning to address this issue, there is still much to do in order to address the substantial shortage in parking and facilities, with changes to the planning system central to this.

In 2020, DfT conducted a follow-up Lorry Parking Review that found that due to lorry parking developments and extensions to MSAs since 2018, there was an additional 750 known lorry parking spaces in total. However, it noted that as lorry parking is commercially provided and there is no central register of spaces, this number does not account for any lorry parks that may have closed and was only half the minimum amount required to address the shortage previously identified. Given lorry parking is still identified as such a significant problem, the shortfall already identified must still be delivered.

The review highlighted that lorry parks and traffic are viewed negatively by communities and that there are a number of barriers to commercial delivery of lorry parking. The main issue identified was that of planning, which mirrors the feedback Logistics UK has heard from its members. This can be a result of local objection to applications and is reflected in a low number of approvals by local planning authorities.

It was also noted that the time for a planning decision to be reached on a site can be protracted and expensive, although the latter is often the result of consultant fees, rather than fees charged by the planning authority. More positively, the

[2] https://www.ukwa.org.uk/wp-content/uploads/2022/09/Investment-Case-for-Rootop-Solar-Power-in-Warehousing-August-2022.pdf

review found there does appear to be substantial private interest at key sites, with interest generally conditioned on dual or multi-purpose use of sites (for example, bunkering and lorry washing facilities). However, these planning barriers are preventing investment.

These findings must be acted upon, including addressing failures in the planning system and more dual use of sites to encourage investment. This should include a duty for unused land in public ownership to be considered for lorry parking where it is suitably connected to the transport network, alongside certainty and longevity on leases for truck stop tenant operators on public sector land. At the same time, the Government to encourage planning authorities to implement existing guidance for providing adequate lorry parking.

At a national level, it must be mandated that the planning process for National Infrastructure Projects and route network upgrades includes a requirement to review the need for lorry parking facilities within the development, and to provide sufficient capacity. In granting permission for new or improved service areas there must be a requirement for an increased number of parking spaces, alongside improved security and standards for lorry parking, with this to be prescribed in revised Government guidance.

Question 10

How can planning policy in England help to support the freight and logistics sector across the whole of the UK?

The development of a National Freight Network must be a UK-wide exercise, understanding the origin and nature of cross-border freight flows and recognising their importance to the national economy. The Union Connectivity Review highlighted that the devolution of transport decision making "has led to less of a focus on connectivity between the nations of the UK and limited pan-UK strategic planning for a transport system which is essential to the operation of the UK's single market."[3]

Despite promising in May 2022 to respond to the review by the end of that year, the Government is yet to do so. This leaves an enormous gap in national policy, which has implications for long-term strategic infrastructure planning. As a starting point, a comprehensive response must be published as soon as possible, including recommendations for changes to the planning system to support better cross-border freight movements.

The planning system in England can then play a role in delivering the necessary infrastructure to support this ambition by placing greater emphasis on the value of the UK single market. Where schemes that enable better freight movements are identified, they should be swiftly progressed through the planning system and granted consent. This process currently takes far too long, with the recent moves to postpone a DCO decision for dualling the A1 in Northumberland by eight further months an unacceptable example.

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[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036027/union-connectivity-review-final-report.pdf