TRANSPORT FOR THE NORTH STRATEGIC TRANSPORT PLAN

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Summary

- The Transport for the North (TfN) Strategic Transport Plan (STP) represents a positive set of ambitions for freight in the region and rightly recognises the importance of the logistics industry to the northern economy.
- Logistics UK encourages TfN to integrate freight even further in northern transport decision making, ensuring that it does not exist in a silo and that ambitions to improve passenger connectivity complement logistics.
- Reliability and capacity issues with northern infrastructure hinder the growth of the logistics sector and must be addressed to help the region achieve its potential.
- The North needs support and investment to ensure progress on decarbonisation does not stall and to prevent businesses in the region from being put at a competitive disadvantage.

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 consultation

Introduction

Logistics plays a crucial role in the economy of the North; ensuring vital goods and services are provided to communities across a diverse geography and supporting the region's critical economic strengths such as manufacturing, life sciences and energy. Logistics is also a hugely important sector in its own right; with over 650,000 people employed in logistics roles and businesses providing quality career opportunities across supply chains, often in some of the most economically disadvantaged parts of the region.

The North is also home to several nationally significant freight and logistics assets including major ports on both East and West coasts, well used airports and strategically important clusters of distribution centres and warehousing, particularly in South Yorkshire and along the M62 corridor. All these assets support local communities as well as playing a role in the functioning of the national freight system.

Logistics UK therefore welcomed the publication of TfN's Freight and Logistics strategy in 2022 and values the continued emphasis on the importance of our sector in the draft STP.

The vision and strategic ambitions

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 supports the desire set out in the STP for the North's transport infrastructure to play a more effective role in in enabling economic

growth across the region. We also recognise that our industry is, and will be, a critical enabler of that growth. The STP rightly identifies this but must ensure that the needs of the sector are not seen in isolation from other transport challenges.

To achieve the aims of the STP, TfN must adopt and encourage creative solutions to the North's transport problems. We must acknowledge the structure and reality of the modern economy and the importance of logistics in providing essential goods and services to northern 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.

The logistics industry is embracing the challenge to achieve net zero and has made significant strides in reducing emissions and investing in new technologies. The vision set out in the STP to decarbonise surface transport is therefore laudable but 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. TfN should also continue its positive work in exploring other zero-carbon fuelling options such as hydrogen, with the logistics industry's transition to net zero likely to be built on a mix of powertrains.

User centric and place-based approach

Given TfN's remit it is understandable that the STP places a significant focus on the need to address passenger transport issues in the North, however as identified above 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.

The STP should also recognise that building strong places and local communities will be impossible if the people living in them are unable to access or receive essential goods and services. This is the role that logistics plays. Logistics UK believes that creating more successful, liveable places is reliant upon, rather than opposed to, ensuring efficient freight movements. Given the diverse geography the STP covers, it is hugely important that the expertise of the logistics industry is harnessed to enable a high standard of living for all communities, be they urban or rural.

We also acknowledge the responsibility of the logistics sector to minimise its impact on the physical environment while continuing to support the northern economy. The industry has responded well to the challenges of air quality and decarbonisation, with fleets moving to both to cleaner diesel engines and increasingly to zero emission power. Further support is needed to continue this progress and TfN should work with its local partners to encourage policies that incentivise industry investment and do not add unnecessary costs to operators.

Outcomes and monitoring

Journey time reliability is critical to a well-functioning logistics industry. In an increasingly on-demand, just in time economy, customers frequently expect goods to reach them within a narrow window, with delays leading to unnecessary costs and inefficiencies for hauliers. Key routes in the North can be particularly unreliable, owing to factors such as a lack of capacity, poor maintenance and exposure to adverse weather conditions. TfN must work closely with National Highways to address these problems; highlighting the economic costs of delays on routes such as the M62, A66 and A1. In our recent response to National Highways' consultation on its RIS3 Initial Report, Logistics UK called for the road network to be left in a better condition at the end of the next investment period than at the start. We believe that TfN should have the same ambition for this STP.

Modal shift is needed to support decarbonisation aims as well as to make sure we maximise the efficiency of our transport infrastructure. The ambition set out in the STP to double rail's share of freight is laudable but also highly ambitious and will require serious industry engagement to deliver. To help with this, it is vital that rail freight is not considered in isolation. Many freight journeys that rely on rail still require road movements at either end, with the ease and reliability of this interchange one of the biggest deciding factors for businesses looking at modal shift. In championing greater use of rail, TfN must work with National Highways and local partners to ensure the full end-to-end journeys of freight are considered, while also playing a coordinating role in bringing industry and other stakeholders together.

Road and rail infrastructure

For an efficient logistics industry, free flowing roads with minimal delays are crucial. Road freight is an essential enabler of all business activity: in 2020, road accounted for 89% of all freight traffic, playing a crucial part in the UK's supply chain. It also plays a key role in facilitating and supporting other freight modes. Transport infrastructure spending continues to be needed to improve roads across the UK, nationally and locally, to enhance capacity and reduce unreliability. Appropriate policies and funding are also needed to help provide facilities for drivers to attract sufficient resource to the industry.

Freight movements on the road network have been growing and will continue to do so for the foreseeable future, with road remaining the predominant mode for freight. There are already significant capacity constraints in parts of the network and this increase will only lead to further pressure on overstretched corridors and junctions. In addition to securing the improvements and maintenance schemes identified in the STP, TfN must continue to develop a longer-term set of investment priorities to ensure that industry is not unduly harmed by capacity and reliability issues even when funding is available to address them. This planning must be carried out in harmony with national infrastructure operators such as National Highways, Network Rail and National Grid, as well as the logistics sector.

We urge TfN to continue to use a broad range of indicators to understand current and future demand, as well as continually seeking the expert views of logistics operators and customers. It is also worth remembering the role of TfN as a powerful advocate on behalf of the sector. Infrastructure operators cannot simply wait for a certain level of industry demand to support alternative fuelling options for example. Businesses need confidence to invest, and in relation to zero-emission vehicles a lack of infrastructure is a frequently cited reason as to why businesses have not yet made the transition. We urge TfN to continue to articulate the need for investment in energy, fuelling and digital infrastructure, which will encourage the logistics industry to follow suit.

The STP aligns with the early indications that RIS3 will focus on maximising the effectiveness of the existing road network. In the short term, this is understandable and there are a number of small scale interventions that could improve reliability for the logistics sector. However, we encourage TfN to not be closed off to the idea of supporting new road schemes in the future where they can demonstrably bring benefits to productivity, market access and potentially carbon/emissions reduction.

Many pinch points on the northern road network exist around the intersections of local, regional and national infrastructure. TfN's ambition to enable and improve connectivity should focus on seamless end-to-end journeys both within the North and to/from other markets. This will mean working with local partners and operators across the North to identify and advocate for improvements that bring the greatest and widest economic benefits.

The North sits well below the national average in terms of charge point availability. While the logistics industry continues to take steps forward on its decarbonisation journey, this lack of infrastructure will inevitably act as a deterrent to transitioning to electric vehicles. A significant step change is needed, and while TfN will not be directly responsible for delivering more charge points, it has a major role to play in convening industry, local authorities and other stakeholders to identify areas of need – with an emphasis on supporting freight transition and considering the potential for electric and hydrogen powered HGVs.

The STP focuses heavily on connectivity and capacity improvements for passenger rail services. While the opportunity to support more rail freight movements is recognised, it is critical that the movement of people and goods are considered holistically, rather than in silos. Capacity constraints are critical overall, with passenger and freight frequently competing for space. A lack of suitable paths for freight mean options are limited for growth in the sector, with East-West journeys frequently sent via the Midlands, potentially undermining the benefits of switching from road to rail.

The need for rail infrastructure improvements in the North is widely recognised and well-articulated by TfN. The Trans-Pennine route upgrade could deliver some significant benefits for freight, particularly container movements, while the East Coast Mainline could also play a bigger role in both local and long-distance logistics if additional capacity is unlocked. Building freight into the business case for rail improvements from the outset is essential to maximise their benefits.

International connectivity, freight and logistics

The focus on freight in the STP is hugely welcome, as is the collaborative approach TfN has taken in engaging regularly and positively with Logistics UK and the sector. We encourage TfN to both continue and expand this approach and to guard against policy and decision-making in relation to freight being considered in a silo. Almost every transport investment or policy change has an impact on logistics, either positively or negatively, yet the consideration of our sector is patchy at all levels of decision-making. TfN must be a champion for logistics in the North and continue to highlight the sector's role in supporting the entire economy of the region.

As identified in the STP, the North has the potential to improve its international connectivity and freight movements, building on an asset base that includes several major ports and airports with the ability to grow significantly. Government has recognised this, and the benefits of the development of free ports in the North should be maximised. The logistics industry will be integral to this, and must be supported with high quality infrastructure that connects ports and airports seamlessly to national road and rail networks.

Increasing freight flows through northern ports also has the potential to support national economic priorities by alleviating congestion in the South East. However, we must acknowledge that businesses and communities in the North will still be reliant on the Short Straits and so TfN should also be an advocate for nationally significant infrastructure improvements that would bring benefits to international freight movements to and from the North.

Implementation

As with many transport strategies, the success of the STP will be judged according to whether the North's transport network is functioning better at the end of the period than it is currently. From a logistics perspective, this means that growth will have been supported, journeys are more reliable and the continued transition to net zero has been enabled. In this context, TfN's direct delivery is limited, and so it will be evaluated by how well investment in the North has been secured and how effectively partnership working has delivered the improvements we wish to see.

This partnership working and collaboration must extend beyond the North; working with national bodies and other STBs to advocate for wholesale improvements and investments that support the logistics industry. At a more localised level, we also urge TfN to work as a convener and moderator to ensure continued alignment of devolved policy and preventing policy fragmentation caused by competing local and political priorities.

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