Logistics UK response to Transport Select Committee Inquiry on the Railways Bill – November 2025

Summary

- The Railways Bill is a major opportunity to grow rail freight, but without key amendments it risks hard-wiring a passenger-first railway that sidelines freight.
- GBR's monopoly role needs stronger checks and balances to guarantee fair access, fair charging and fair capacity for freight.
- Freight must be integrated into capacity planning, timetabling and corridor protection if the government's 75% freight increase target is to be delivered.
- Predictable charges and long-term access agreements are essential to unlock private investment in terminals, locomotives and rail-served logistics sites.
- If the freight sector cannot plan with confidence, it cannot invest at scale, jeopardising growth, decarbonisation and supply chain resilience.

About Logistics UK

Logistics UK is one of the country's largest business groups, and the only trade association which represents all of logistics. Our mission is to support, shape and stand up for a safe, sustainable and efficient logistics sector. Our membership of more than 22,000 includes global, national and regional businesses and SMEs spanning road, rail, inland waterways, sea and air as well as the customers of freight services, such as retailers and manufacturers. We deliver services, representation and thought leadership, helping members and policymakers to seize new opportunities for the sector and the economy as a whole, right across the country.

The logistics sector

Nothing moves without logistics. The sector employs 8% of the UK workforce in good jobs with strong career progression, contributes £170 billion in GVA each year, and underpins the resilience of the everyday economy.

Logistics plans and coordinates the movement and storage of the goods that businesses, public services and households rely on – using ports, airports, roads, railways, waterways, warehouses and smart digital systems to tie it all together.

With the right policies, logistics can drive up UK growth by £8 billion a year.[1] However, rising costs, red tape and poor infrastructure are holding the sector back – putting firms out of business, fuelling inflation, and undermining productivity and supply chain resilience. As a result, the UK has fallen from 4th to 19th in the World Bank Logistics Performance Index over the decade to 2023.

Consultation response

Summary

Logistics UK welcomes the Committee's scrutiny of the Railways Bill. Rail freight is essential to the UK's economic performance, supply chain resilience and decarbonisation goals. It moves 16 billion tonne-km of goods each year and produces around 76% lower carbon emissions per tonne-km than road, even when diesel-hauled.

The Railways Bill includes important provisions: the statutory rail freight increase target (Clause 17) and the duty on GBR and the Secretary of State to promote freight (Clause 18(2)(b)). However, the Bill also contains risks that freight will be

[1] *Logistics Delivering a solution to the UK's productivity puzzle*, Oxford Economics, 2023

deprioritised in capacity allocation, timetable planning, charging and investment decisions, particularly given GBR's monopoly role as both infrastructure manager and passenger operator.

Key elements of the new regulatory framework are also not yet available for scrutiny, including the draft Access and Use policy (not expected until 2026) and the draft GBR licence, which will set out governance, accountabilities and business unit operation. These omissions make it harder for Parliament to assess whether the Bill provides a balanced system for freight.

To deliver the government's commitment to grow rail freight by 75% by 2050, the Bill needs targeted amendments to strengthen independent oversight and accountability, protect strategic freight corridors, align capacity planning with freight objectives, ensure predictable charging, enable long-term access agreements, and safeguard against policy or operational decisions that inadvertently undermine freight.

Governance, accountability and performance of the rail system

(a) Independent oversight is too limited

The Bill restricts the ORR to a largely appeals-only model, mirroring judicial review principles. This is insufficient for safeguarding access, capacity allocation and charging decisions, especially where GBR has monopoly power and operates passenger services that compete with freight.

We want to see the ORR restored to a proactive regulator able to monitor access, capacity and charging. We also want to see a merits-based appeals system replace the judicial-review test, with clear deadlines and continuity of existing access terms pending resolution.

(b) Strategic freight corridors are unprotected

The Bill does not protect capacity on nationally vital freight corridors serving ports, intermodal terminals and construction materials. Clause 63 requires GBR to reserve capacity for its own passenger services but provides no corresponding duty to safeguard freight capacity.

We want to see GBR required to identify and publish strategic freight corridors and maintain capacity on them unless the ORR approves a reduction. We also want freight operators and terminal developers consulted before corridor designations are changed.

(c) Capacity planning and timetabling are not aligned with the statutory freight increase target

The new Infrastructure Capacity Plan (Clause 60) and Working Timetable duty (Clause 62) do not require GBR to consider the statutory rail freight increase target when allocating capacity or confirming train paths.

We want to see GBR required to take account of the Infrastructure Capacity Plan and the statutory rail freight increase target in its capacity duty. We also want GBR to actively accommodate valid freight path applications and avoid unnecessary cancellations of freight services.

(d) Charging arrangements undermine modal shift

Track access charges strongly influence freight competitiveness. The Bill does not ensure charging decisions are fair, predictable or aligned with the statutory freight increase target. High or uncertain charges, especially when caused by infrastructure failures, risk pricing freight off the railway.

We want to see charging principles that avoid unduly disadvantaging freight and support the statutory freight increase target. We also want to see the "efficient operator" test replaced with what the market could reasonably bear, and protections for operators when network failures prevent services from running.

(e) Long-term investment is not supported

Freight terminals, sidings and rail-connected logistics sites require long-term commercial certainty. The Bill does not empower GBR to grant long-term access agreements, nor does it prevent regulations from undermining existing rights. Privately funded freight-only terminals also risk being drawn into unnecessary additional regulation.

We want to see GBR empowered to grant long-term access agreements with ORR oversight. We also want certainty that existing agreements will not be eroded by future regulations and that privately funded freight-only terminals are excluded from inappropriate regulation.

Balance between freight and passenger rail users

The Bill risks creating a passenger-first hierarchy. Clause 63 requires GBR to reserve capacity for its own passenger services, but does not require it to safeguard freight capacity or demonstrate that decisions do not cause unreasonable detriment to freight. Passenger service designations are also not required to consider the statutory freight increase target.

We want to see explicit protections ensuring passenger and freight decisions are taken together, not in isolation. Ministers should be required, when designating passenger services, to take account of the Infrastructure Capacity Plan and the statutory rail freight increase target, and to demonstrate that designations do not unreasonably constrain freight.

Workability for freight operators and the wider logistics sector

The reforms will only be workable if the freight sector has certainty over capacity, access and charges. Freight customers make long-term, capital-intensive investments and cannot commit to rail-based supply chains without predictable, stable conditions.

Freight growth is also constrained by a shortage of suitable terminals, a lack of electrification on freight-critical routes, and persistent network capacity constraints.

We want to see a framework that gives operators confidence that:

- capacity decisions will be predictable and stable;
- charges will be transparent and aligned with freight objectives;
- long-term access agreements can be secured;
- appeals will be resolved fairly and quickly; and
- privately funded freight-only terminals will not face disproportionate regulation.

If the sector cannot plan with confidence, it cannot invest at scale.

Improvements needed to support freight growth and modal shift

As drafted, the Bill introduces improvements but falls short of creating a system that will deliver the government's 75% freight growth target. Several provisions remain incomplete or imbalanced in favour of passenger operations.

We want to see the Bill strengthened by:

- restoring proactive ORR oversight of access, capacity and charging;
- enabling a merits-based appeals system;
- aligning capacity planning and timetabling with the statutory freight increase target;
- protecting strategic freight corridors;
- ensuring passenger service designations do not constrain freight;
- enabling long-term access agreements; and
- ensuring charging frameworks support modal shift.

Supporting wider economic and decarbonisation goals

Rail freight supports economic growth and reduces long-distance HGV mileage, carbon emissions and congestion on the strategic road network.

We want to see a Bill that unlocks private investment, expands terminal capacity, improves reliability, and integrates freight into long-term planning. Aligning rail reform with planning reform, port access and strategic electrification will allow freight to contribute more to Net Zero and UK growth.

Conclusion

The Railways Bill is an important opportunity to deliver a railway that works for freight as well as passengers but, as drafted, it risks hard-wiring a system in which freight remains secondary to passenger interests, despite the government's 75% freight increase commitment. However, with targeted amendments, the Bill can deliver a balanced framework that protects freight capacity, supports long-term investment, ensures predictable charging and strengthens independent oversight.

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