Minimum service levels for passenger rail during strike action

15/05/23

Summary

- Rail freight makes a major contribution to the UK economy each year, carrying over £30bn in goods and contributing £2.45bn to the UK economy. It is also vital for achieving net zero.
- While the rail freight sector has not been directly involved in the recent industrial relations disputes, strikes amongst Network Rail signallers have reduced the operating hours of the railway. This has, in turn, reduced the capacity of the railway available for freight. The total rail freight moved between 1 July and 30 September 2022 was 4 billion net tonne kilometres – 6.4 per cent lower when compared with the same time period in 2021
- The principles outlined in the consultation prioritise passenger over freight. Emphasising passenger-focused principles inadvertently compromises freight operations, leading to delays, reduced capacity and increased costs.
- Whether during normal or shortened hours, sufficient paths should be made available to rail freight operators, to allow for the continuation of freight being transported, given its significant value to the country – both economically and environmentally.

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.

Introduction

1. Rail freight makes a major contribution to the UK economy each year, carrying over £30bn in goods and contributing £2.45bn to the UK economy. It is also vital for achieving net zero, as it is estimated to replace 7m lorry journeys per year, preventing 1.4m tonnes of CO2 emissions annually[1]. Maximising the role of rail as part of an integrated logistics system will see additional modal shift from road to rail, reducing emissions further. This would be supported by increased capacity on the railway for freight, additional infrastructure and space for logistics to facilitate multi-modal interchange at key hubs, and fairer track access charges.

Question One

2. While the rail freight sector has not been directly involved in the recent industrial relations disputes, strikes amongst Network Rail signallers have reduced the operating hours of the railway. This has, in turn, reduced the capacity of the railway available for freight.

3. The noticeable decline in rail freight volumes underlines the detrimental effect that industrial action is having on rail freight demand. The total rail freight moved between 1 July and 30 September 2022 was 4 billion net tonne kilometres – 6.4 per cent lower when compared with the same time period in 2021. Around 30 per cent of all freight

[1] Rail Delivery Group, the role and value of rail freight in the UK, April 2021 https://www.raildeliverygroup.com/media-centre-docman/12807-2021-04-role-and-value-of-rail-freight/file.html

movement has been cancelled on strike days, whilst the proportion of freight trains arriving within 15 minutes of scheduled arrival time, as measured by the ORR's (Office for Rail and Road) own metric, was 84.9 per cent – the lowest level of freight performance since the time series began in 2013.

4. The principles outlined in the consultation prioritise passenger over freight. Emphasising passenger-focused principles inadvertently compromises freight operations, leading to delays, reduced capacity and increased costs. Rail freight operations require high efficiency and ample capacity to handle large volumes of goods, whilst also relying on cost-effective solutions to remain competitive.

5. The principles outlined understate the role rail freight plays in supporting the UK economy. To address this imbalance, whether during normal or shortened hours, sufficient paths should be made available to rail freight operators, to allow for the continuation of freight being transported, given its significant value to the country – both economically and environmentally.

6. Similarly, the consultation makes reference in a number of places to the protection of critical freight movements, such as for biofuel and waste. It makes no corresponding reference to protecting critical passenger journeys, with the proposed principles instead focused on enabling all passengers to plan ahead. While the mentioned freight movements are certainly critical, all freight movements support the economy and should be considered for protection or inclusion in the principles to guide which services run.

Question Two

7. We agree that, amongst the list of services to be in scope, should be services provided by operators of network infrastructure (e.g., Network Rail). Network Rail plays a crucial role in setting the key route strategy which, in turn, significantly affects rail freight movements. As above, whether during normal or shortened hours, sufficient paths should be made available to rail freight operators – over and above the critical freight movements highlighted in the consultation.

Question Four

8. The factors listed predominantly refer to passengers but do, rightly, refer to the need to avoid damage to the economy. It is important that avoiding damage to the economy is given sufficient weighting.

Question Five

9. In establishing the minimum service level for rail freight, several appropriate metrics can be considered to evaluate the performance of the sector. One option is on-time performance, assessing the percentage of rail freight shipments that arrive at their destination within the scheduled timeframe. Another option assesses the available capacity for rail freight transportation, taking into account factors such as track availability.

Question Six

10. Our members use rail to move freight.

Question Sixteen

11. Yes.

Question Seventeen

12. The effect has been largely loss of revenue, higher costs and therefore impacts on business viability. The overall UK effect will be higher emissions and reduced economic potential. The UK needs a significant shift towards rail freight movements to achieve net zero, as it offers a more environmentally friendly transportation option; however, the unreliability of rail services undermines the appeal of this transition for operators and customers.

Question Eighteen

13. The total rail freight moved between 1 July and 30 September 2022 was 4 billion net tonne kilometres – 6.4 per cent lower when compared with the same time period in 2021. Around 30 per cent of all freight movement has been cancelled on strike days, whilst the proportion of freight trains arriving within 15 minutes of scheduled arrival time, as measured by the ORR's (Office for Rail and Road) own metric, was 84.9 per cent – the lowest level of freight performance since the time series began in 2013.

Question Nineteen

14. Yes, where possible, more freight that would ordinarily move by rail has been transported by road when route capacity has been limited.

Question Twenty-Eight

15. Other: services that connect key logistics hubs. While the minimum service levels proposed would not directly impact freight operations, Network Rail's approach to route availability would. It is therefore important that routes between key logistics hubs are kept open.

Final Comments

16. Given the substantial significance of freight to the nation, both economically and ecologically, adequate pathways should be made accessible to rail freight operators during regular or shorter hours to enable the continuance of freight transportation.

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

Ben Garratt
Deputy Director – Public Affairs
Logistics UK
bgarratt@logistics.org.uk