

9 February 2012

Dr Sian Phipps,
Clerk,
Enterprise and Business Committee
National Assembly for Wales,
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Dear Dr Phipps,

Reprioritisation of the National Transport Plan and Scrutiny of the Minister for Local Government and Communities

Rail Freight Group (RFG) is pleased to have been asked to submit this response to the letter, dated 19 December 2011, from Nick Ramsay AM.

RFG is the representative body for the UK rail freight industry. Our objective is to grow the volumes of goods and materials moved by rail freight in a cost effective way. We work to influence Governments and rail policies in support of rail freight and to help our members develop their rail freight services.

We have restricted our answers to the questions posed to those issues that are within our remit, except insofar as other matters impact on or are impacted on by rail freight.

Question 1

What are the key issues currently affecting transport in Wales and how far are they addressed by the change in priorities within the National Transport Plan?

The key issues affecting freight transport in Wales are the lack of intermodal terminals (only one in South Wales, none in mid-Wales and none in North Wales), the fact that most rail lines in Wales have insufficient loading gauge clearance and the threat to existing rail freight capacity from an increasing numbers of passenger trains.

To put these issues in context, Wales currently generates or receives some 15% of total UK rail freight and yet hardly features in the movement of containers (deep sea, short sea or domestic) which is the fastest growing sector of the market. RFG recently published updated forecasts for growth in rail freight movements and the figures, which are widely accepted and used by Governments and the industry, indicate a doubling in rail freight volumes by 2030. The challenge is to ensure this growth extends across the network and is not simply concentrated on the existing main rail corridors such as the West Coast Main Line. Given appropriate support, equivalent growth in rail freight can be achieved in Wales, meaning that the wider economic and environmental benefits associated with increased modal shift to rail will also be delivered.

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The March 2010 NTP was very weak on freight issues and contained only five specific measures aimed at improving freight movements by road or rail. The December 2011 prioritised NTP contains **no** freight specific measures, which implies that movements of goods and materials do not feature in the Minister's priorities. Similarly, the October 2011 announcement by the First Minister of his "Programme for Government" also lacked any measures to support, facilitate or enhance freight transport. RFG believes this failure to address the needs of freight in general and rail freight in particular means nothing will be done to tackle the key issues which will therefore continue to hold back both social and economic growth in Wales.

Question 2

How far does the change in priorities within the National Transport plan address, and strike the appropriate balance between, the strategic priorities stated in the Wales Transport Strategy, namely:

- a reducing greenhouse gas emissions;
- b integrating local transport;
- c improving access between key settlements and sites;
- d enhancing international connectivity; and
- e addressing safety and security.

The 2010 NTP was inappropriate because it failed to adopt a holistic approach to transport issues, seeing each mode (road, rail etc) and each category (passenger, freight) separately instead of looking at their inter-relationships. It also focused on intra-Wales issues sometimes at the expense of connectivity with the rest of the UK and internationally. Although the prioritised NTP does bring a welcome balancing of east-west connectivity with the north-south axis and does set out timescales for the proposed interventions, the omission of any consideration of freight issues means it does not address the challenges of infrastructure capability and capacity, the facilitation of rail/road connectivity and support for innovative solutions.

Question 3

The Minister has stated that the National Transport Plan has been prioritised to "tackle poverty, increase well-being and assist economic development". How far does the change in priorities within the National Transport Plan contribute to achieving these objectives and are they consistent with those included in the Wales Transport Strategy?

The three new priorities would appear to be different from, though perhaps complementary to the five priorities set in the Wales Transport Strategy and discussed in Question 2. However, whichever grouping is used, the removal of any measures to assist the freight industry implies a lack of understanding of the role that freight movements play in both maintaining and improving qualities of life and in facilitating and encouraging economic growth. It is freight that, for example ensures supermarket shelves are kept stocked and that factories receive raw materials and dispatch their products to further processors or to markets in Wales, the rest of the UK or internationally.

It is in this context that the unbalanced, incomplete National Transport Plan, both in its original and prioritised manifestations, will fail to deliver the objectives and outcomes that have been declared. Without specific measures to improve the effectiveness and efficiency of freight movements to, from and within Wales, economic activity will continue to be constrained to the overall detriment of the people in Wales. The movement of freight is recognized as a vital economic driver and modern streamlined logistics, including increased use of rail freight, are essential for economic growth. So the lack of freight specific measures means there will be no assistance for businesses already established in Wales and nothing to encourage new investment in the Welsh economy.

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As an example of how these challenges are being viewed elsewhere, RFG draws the Committee's attention to the Report of the Logistics Growth Review carried out by the Department for Transport which was published in November 2011. RFG was pleased to contribute to that Review and many of the issues covered are pertinent to the matters the Committee will be reviewing with the Minister. The Report can be accessed via <http://www.dft.gov.uk/publications/logistics-growth-review>.

Question 4

Are the priorities contained in the Minister's statement the correct objectives for Welsh transport policy?

RFG would support the three priorities set out in the Minister's statement but would suggest they need to be qualified : for example "tackling poverty by improving access etc" and "increasing well being by reducing greenhouse gas emissions, addressing safety and security etc". However, the significant omission is in respect of measures aimed at "assisting economic development". RFG would suggest that this might be qualified by "investment in transport (rail and road) infrastructure, enhancing connectivity throughout Wales and between Wales and the rest of the UK and internationally, encouraging modal shift etc".

Question 5

How far does the prioritised plan meet the Welsh Government's obligations in relation to sustainability and equality?

Modal shift of freight from road to rail is widely acknowledged as a key means of reducing carbon emissions. The omission of any reference to freight and more particularly to modal shift in the prioritised NTP could be considered as an indication of a lack of commitment to its sustainability obligations.

In conclusion RFG believes both the 2010 NTP and the 2011 prioritised NTP represent an opportunity missed for Wales. Direct investment in rail infrastructure and encouraging private sector investment in rail facilities and services will lead to enhanced economic activity, increased job opportunities, better availability of goods and services alongside reduced road congestion and a lower requirement for road maintenance.

Yours sincerely,



Robin C Smith
Welsh Representative



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