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Pwyllgor yr Economi, Seilwaith a
Sgiliau
Datblygu Trafnidiaeth Cymru yn y
dyfodol
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Ymateb gan Rail Freight Group

National Assembly for Wales
Economy, Infrastructure and Skills
Committee
The future development of Transport
for Wales

Evidence from Rail Freight Group

Introduction

1. Rail Freight Group (RFG) welcomes the opportunity to submit evidence to the Committee's inquiry into the future development of Transport for Wales.
2. RFG is the representative body for rail freight in the UK, and we campaign for a greater use of rail freight to deliver environmental and economic benefits for the UK. We have around 120 member companies including train operators, end customers, ports and terminal operators, suppliers including locomotive and wagon companies and support services.

General Policy Framework

3. There are a number of critical rail freight operations delivering for businesses in Wales, with good opportunities for further growth. Flows include steel traffic, services to and from ports, intermodal and retail trains to the Wentloog Terminal, and construction aggregates and other products. There are opportunities to increase the level of rail freight moved and to look for new traffic such as in support of new infrastructure development. Many of these services start or end in Wales but operate to or from locations across the UK.
4. Rail freight is a private sector operation, with good investment from train operators, end customers, ports and terminal businesses underpinning its success. Data from the Rail Delivery Group shows that rail freight is delivering around £112m of benefits to the Welsh economy each year, in environmental and economic gains.
5. However, rail freight operates on the same network as passenger services, and for its continued success the structure of the UK railways, and in particular the management of the infrastructure, must facilitate growth. This means having the right capacity for freight, the right network enhancements, and also having a management structure that is encouraged to support freight and has the authority to do so.

6. With the Williams Review of the Railways currently underway, the freight sector is concerned to ensure that rail freight is a key consideration of the review, and that any changes that are made support growth and do not make it more difficult or expensive to run freight services. Our initial position paper for the Review is included as Appendix 1.
7. Transport for Wales (TfW) has been created to operate the passenger rail franchise in Wales. While it was being established, we have had useful discussions over the interface between passenger and freight at some key locations and have developed a good relationship in so doing. However, it remains the case that TfW have no formal remit for rail freight.
8. Overall, we would consider that if TfW's responsibilities are to be broadened and extended beyond control of the passenger franchise, it should have, as part of its remit, a duty to support an increase in the volume of rail freight moved in Wales.

Response to Question 1

Whether the current governance, structure and funding of Transport for Wales are effective and transparent.

9. Presently, the remit of TfW is related to the passenger franchise, and as such we have no comments on its governance and effectiveness.

Response to Question 2

What action should be taken to develop these aspects of the organisation? And what other governance models and good practice are available?

10. As outlined above, if TfW is to increase its responsibilities to embrace a wider transport role, they should include a duty to support an increase in the volume of rail freight moved in Wales.
11. Although the framework is different, Scottish Government have set an explicit freight growth target on the Scotrail Alliance which runs both the track and passenger trains in Scotland. This appears already to be driving good behaviour.

Response to Question 3

The future role of Transport for Wales in delivering transport policy. What additional responsibilities should it take on and how should these integrate with the role of the Welsh Government, local government and emerging regional

transport authorities?

12. We have no specific comments on which additional functions TfW should take on. However, any realignment of responsibilities between Welsh Government / Local or Regional Authorities and TfW must ensure there is clear accountability for the current operation and future growth of rail freight in Wales. In addition it is important that the new structures are designed and empowered to facilitate a holistic approach being taken towards both freight and passengers and across all transport modes.

APPENDIX 1

Position Paper: Rail Freight Outcomes in Rail Review

22 November 2018

Rail Freight Today

- Is open and competitive with five private sector operators competing for customer business and bringing new traffic to rail.
- Has seen 110% growth in construction traffic and 90% growth in intermodal and retail traffic since privatisation.
- Is forecast to grow by 2-3% pa in control period 6 despite network constraints.
- Delivers benefits of £1.7bn each year in environmental and economic gains, spread across the whole of Great Britain.
- Moves 1 in 4 of all imported and exported containers to and from our ports.
- Conveys 40% of all construction aggregates to London and the South East with each train moving the equivalent of 30 houses worth of materials.
- Continues to invest in new terminals, equipment and technology to further improve productivity and growth.

For any new structure to be a success for rail freight it must therefore:

- Place freight customers at the heart of the industry, alongside passengers.
- Encourage and deliver rail freight growth.
- Maintain a national network for freight.

- Give fair and equal access for all freight services.
- Ensure that new and existing freight services can be delivered efficiently.
- Enable continued private and public sector investment for freight.

To achieve this any new structure must:

- Have an incentive framework embedded throughout which encourages and rewards freight growth.
- Have a strong central function with authority over timetabling and access.
- Have a national system of freight charges based on current principles.
- Have the right legal, commercial and regulatory levers to deliver freight needs.
- Have flexibility to meet the changing needs of freight customers.