

Written evidence submitted by the Rail Freight Group (RIW0004)

1. Rail Freight Group (RFG) is pleased to submit evidence to the Welsh Affairs Committee Inquiry into railway infrastructure in Wales. No part of this response is confidential.
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.
3. There are significant flows of rail freight traffic from and to Wales, including containerised goods, steel, bulk aggregates and residual flows of coal. There is the opportunity for growth in traffic associated with the potential for freeports, changing trade routes post Brexit and pressure from business to move to lower carbon transport modes such as rail freight.
4. The majority of these flows are 'cross border' services that run between Wales and England as part of seamless supply chains for their customers. There is no distinction for those customers between railway infrastructure in Wales and in England, and they need joined up and effective management to ensure the most efficient services can operate.
5. Investment in infrastructure for freight therefore needs to be targeted to improve end to end journeys. For example, work to 'gauge clear' the Great Western Main Line to enable more efficient container trains will benefit customers and exporters in South Wales, but the majority of the necessary work is in England. In considering investment priorities for freight it is therefore necessary to consider the end to end journey as well as the regional case.

Where does responsibility lie for rail infrastructure in Wales?

6. For freight, the main network is managed by Network Rail. The exception to this is the Valley Lines infrastructure which is operated by Amey Keolis Infrastructure Limited (AKIL) on behalf of Transport for Wales. Freight infrastructure within ports, terminals and industrial sites will be managed by the operator of the site.

How effectively do the UK and Welsh Governments cooperate with one another in the management, and funding, of rail infrastructure in Wales?

7. We have not encountered any specific difficulties.

Should responsibility for railway infrastructure in Wales be fully devolved?

8. We understand the desire for greater devolution of transport, both politically and within rail reform. Whilst there can undoubtedly be some benefits from greater local understanding and focus, the case for devolution is often weaker for freight flows, which as described above are most often pan regional, national and indeed global.
9. This means that freight flows must be managed and planned on a national basis, and that there must be a common basis of contract, charges and operations that enable freight to operate seamlessly and efficiently.
10. As an example, freight operators who run services on the Valley Lines have had to secure new contracts and licences to enable trains to continue – in essence each train has to have 2 contracts across its end to end journey. Whilst this has been established co-operatively and is a pragmatic solution for the very small number of trains involved, it would be unsustainable on a wider scale.
11. Any decision to fully devolve railway infrastructure must therefore be within a framework that allows freight operators to continue with a single contractual mechanism and enables freight to be planned and managed at a national level.

What share of investment has Wales secured in its rail infrastructure since privatisation came into effect in 1994, and how sufficient is this level of investment?

12. We have no data on this. As outlined above, projects in England can also deliver benefits for cross border freight flows, such as gauge clearance of the GWML which is underway.

How is funding allocated to rail infrastructure projects across the UK and how are the different infrastructure needs of the regions and nations of the UK assessed?

13. Freight schemes in England and Wales are assessed through the DfT's RNEP pipeline and advised by an industry steering group on which Welsh Government are represented. In Scotland, a separate industry group advises Scottish Government on freight enhancements and projects, which have a specific funding allocation each control period.

14. With Network Rail's own devolution now established, responsibility for many enhancements has moved to the routes and regions. It is essential that the planning of such schemes looks holistically at freight movements, for example, to ensure that electrification schemes deliver end to end freight routes across the country.

What will be the impact of the Covid-19 pandemic for the railway network in Wales (including the sustainability of services and potential impact on investment in railway infrastructure)?

15. Rail freight traffic has returned back to pre COVID levels in most sectors, and customers are continuing to look for growth. Although the situation is inevitably volatile, rail freight has not been impacted in the same way as passenger rail.

16. We recognise the potential for rail enhancements to be impacted by the reduction in passenger traffic and income. There is a need to focus on 'no regrets' schemes that are essential even if passenger volumes are slow to return. These include electrification, and schemes to improve efficiency and performance and capability improvements such as gauge. There are also opportunities to increase train length and operational efficiency on key flows where the customer needs demand.

17. There are also potential opportunities to grow freight in Wales, including along the North Wales corridor, serving the emerging urban and high speed logistics market, and encouraging greater use of rail fed materials in infrastructure construction.

What opportunities are there for Wales as a result of the recently launched Union Connectivity Review?

18. Trade to Eire and Northern Ireland is currently changing significantly, and this could lead to opportunities and changes for Welsh ports and rail routes. Any shift from ro-ro to lo-lo could offer opportunities for greater use of rail freight if the required gauge clearance is provided.

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