

Rail Partnership Consultation
Transport for London
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By email

10 March 2016

Dear Sir/Madam

Rail Passenger Services in London and the South East: A new approach

welcomes the opportunity to respond to the prospectus issued by the Department for Transport (DfT) and Transport for London (TfL) outlining a new approach to rail passenger services in London and the South East. We understand the aspiration to transfer inner London services to TfL control but have concerns with this and the potential effect on freight.

The importance of rail freight to the UK economy

Rail freight is vital to the competitiveness of the UK economy. It is a competitive and vibrant sector that has grown significantly since privatisation. Competition has helped drive efficiencies and the savings have been passed to customers, helping make Britain's businesses more efficient.

The resulting productivity gains for UK plc, and the congestion and wider environmental benefits, generated by rail freight are worth over £1.6bn per annum to the UK economy. These substantial benefits demonstrate the tremendous value for money rail freight offers government.

Rail freight volumes have grown by 80% since privatisation. The growth has been enabled by improved reliability, service quality and considerable efficiency and productivity gains that have made the use of rail freight more attractive to customers. In order to achieve these benefits rail freight operators have triggered over £2 billion of investment since privatisation. Taking into account the support received from the taxpayer, net of track access charges paid, rail freight now generates between £6 and £25 of benefits to the UK economy for every £1 of taxpayer support.

It should be noted that all the benefits of rail freight fall outside the industry balance sheet and is to some extent ignored by current industry modelling techniques.

Rail freight growth

The rail freight market is changing with the rapid decline of coal and steel markets but there are considerable opportunities in other markets:

- Overall volumes are forecast to rise by an average of 3% p.a. until 2043
- Containerised freight is forecast to grow by 6% p.a. until 2043
- Construction materials are forecast to rise by 2% p.a.

It should be noted that the forecast growth in rail freight will be much more focussed in the South East.

Rail freight in London and the South East

Freight services are vital to the economic prosperity of London and the South East and for the UK and by their nature are not confined to one area or region. The inflow to London of building materials by rail is essential to support both the commercial and house building programmes. In addition the movement of containers from ports including Felixstowe, London Gateway and Southampton removes freight from roads and supports sustainable growth. New terminals are also planned at Radlett to the north of London and at Slough to the west principally for the retail sector.

Greater London is underserved by rail freight when compared to other major conurbations across the country. Yet despite this there are significant flows of traffic to the capital, and significant potential for growth. Given road congestion, environmental and air quality issues, and safety issues with HGVs in inner urban roads, increasing the use of rail freight to supply London remains a strong objective.

Safeguards and wider protection

██████████ would like to see the protection of freight services set out in more detail. As highlighted above the freight flows both within and through the South East are important to the economy and the consultation document does not make explicit reference to preserving and enhancing the capacity provided.

We believe it would be appropriate if TfL had an explicit requirement, or duty, alongside its other roles, to promote the use of the London rail network for freight.

We note that there is no proposed change to the existing access process, or timetabling, but such plans could increase pressure on freight, and make it more difficult for operators and customers to effectively plan for growth.

The management of the network must not become fragmented and ██████████ will rely on the system operator and regulator to ensure that the timetable is optimised and train paths are allocated appropriately to inner London, longer distance, and freight services.

It is also important to ensure that there are not any unintended consequences across the network to passenger and freight services which do not pass through London resulting from any changes within the Greater London area.

Therefore we hope that TfL and DfT takes these factors into consideration, recognising the importance of rail freight to the economy and for employment in London and the South East when determining the future shape of the passenger provision.

Yours faithfully