

Driving sustainable transport and decarbonisation

CCLA welcomes the opportunity to comment on the Department for Transport's draft national networks national policy statement (NNNPS).

This supports the government's commitments for appropriate development of infrastructure for strategic road, rail, and rail freight interchanges. Such infrastructure is crucial to the effective operating of businesses in the UK and is also integral to the UK governments obligations to keep to the carbon budgets for reaching net zero.

CCLA aims to ensure net zero is achieved through real-world emissions reductions and to increase the pace of global decarbonisation. This means a focus on driving change not only at company level but also at a systemic level. In our consultation responses we aim to promote rigorous climate and environmental regulation. We have responded with a view on those matters which we consider relevant to our activities.

Summary of response

The transport sector is the biggest single contributor to the UK's greenhouse gas emissions, responsible for over a quarter of emissions. Most of these emissions (88%) are from road-based private transport.

Under the Paris Agreement, the UK is committed to reducing greenhouse gas emissions by 68% by 2030. Prior to covid, transport was the only sector that had not achieved any reductions from a 1990 baseline¹. The expectation from the Climate Change Committee is that the surface transport sector must reduce emissions by around 45% by 2030 relative to 1990². Thus, focused policy measures for the road and rail networks and rail freight interchanges, are crucial to effective decarbonisation for the economy and for individual companies' supply and distribution chains.

For the road network, CCLA would recommend consideration of traffic reduction targets and modal shift targets for public transport as have already been implemented in Scotland and Wales.

For the rail network, CCLA supports the strategy to increase rail freight in conjunction with electrification, essential to the UK maintaining progress against its carbon budgets. Given that less than half the UK network is electrified, and progress to do so is minimal, CCLA would recommend a greater focus on increasing electrification of rail lines. We further support 'appraisals of sustainability' recommendations that the NNNPS include the commitment that (wherever possible) all new rail development will be electric, prioritising network electrification around strategic rail freight interchanges.

For rail freight interchanges, CCLA commends the government's strong support to help make this modal shift happen 'at pace' promoting and unlocking the benefits of rail freight. We also support that the NNNPS was amended to clarify the importance of enhancement of biodiversity at such sites, in addition to mitigating harm and providing compensation.

1 Department for Business, Energy & Industrial Strategy (2022) 'Final UK greenhouse gas emissions national statistics: 1990 to 2020'.

Online at www.gov.uk/government/statistics/final-uk-greenhouse-gas-emissions-national-statistics-1990-to-2020

2 Climate Change Committee. 'Sixth carbon budget'. Online at www.theccc.org.uk/publication/sixth-carbon-budget

1. Respondent:

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2. Whether the respondent is:

Responding for an organisation

3. If you are responding for an organisation, what is the name of the organisation?

CCLA Investment Management Limited

5. Does the draft NNNPS adequately set out:

- the need for developing national networks?
 Agree
- our policy for addressing the need for the development of national networks?
 - Agree

Provide comments on improvements referring to specific sections of the NNNPS in your response.

Strategic road network

Section 3.28 makes it clear that increases in vehicle miles undertaken can lead to worsening performance of the network. It also sets out that all scenarios used by the National Road Traffic projections project a growth of traffic between 2025 and 2060 for England and Wales. Section 3.31 recognises that these are 'not definitive predictions of what will happen in the future and are not a predictor of the level of expansion required on the national road network'.

It is important to bear this in mind when considering such scenarios, as the final agreed National Policy for National Networks will be influential in determining road-building projects going forward. There cannot be a reliance on electric vehicles alone to decarbonise transport. Even with the ban on sales of new petrol and diesel cars and vans by 2030 and the Zero Emission Vehicle mandate, most cars on the road will still be fossil fuelled in 2030³. Scotland and Wales have both set traffic reduction targets and modal shift targets for public transport but there are no such targets at a UK, England or English regional level despite growing recognition that radical change is needed⁴. In determining policy, it would be helpful to consider the most practical measures for decarbonising transport, for example a reduction in car mileage by 4% would reduce emissions more than from electrifying the entire bus fleet⁵. It is notable that recent policy changes in Wales have meant that from 2023, road building projects will only be successful in getting funding if they are deemed to help people shift from travelling by car to travelling by public transport or by foot or bicycle⁶.

This better reflects the approach as set out in s.3.44 which notes that the UK's 'Transport Decarbonisation Plan' (TDT) has committed to moving away from transport planning based on predicting future demand to provide capacity to planning that sets an outcome communities want to achieve and provides the transport solutions to deliver those outcomes. And as noted at s3.42, enabling more public transport (including rail) is at the heart of the TDT.

Sections 3.49 and 3.50 demonstrate the increasing demand for passenger rail travel since the 1990s, although commuting levels have dropped compared to pre-pandemic levels due to the widespread adoption of flexible working.

This therefore lays the scene well for enabling mechanisms for improvements for the strategic rail network and for strategic rail freight interchanges.

Strategic rail network

Sections 2.10 through to 3.21 make it clear how crucial railways are to the UK's transportation infrastructure, economy and connectivity needs and how important this is for UK supply chains in supporting competitive businesses. As the lowest carbon public transport service, it makes up 1% of total UK transport emissions whilst carrying nearly 10% of passenger miles and 9% of freight (pre-pandemic).

³ Department for Transport (2021) 'Decarbonising transport: a better, greener Britain'. Online at https://assets.publishing.service.gov.uk/ government/uploads/system/uploads/attachment_data/file/1009448/decarbonising-transport-a-better-greener-britain.pdf

⁴ TUC. 'Public transport fit for the climate emergency. More services, more jobs, less emissions'. London: Congress House.

Online at www.tuc.org.uk/sites/default/files/2023-04/PublicTransportForTheClimateEmergency_.pdf 5 Assuming car emissions are roughly proportional to mileage, car emissions in 2020 were 60.8 million tonnes,

bus emissions were 2.3 million tonnes, equivalent to 3.8% of car emissions.

⁶ Wales Online (2023). 'Wales' new criteria for building roads that turn everything on its head.' Online at www.walesonline.co.uk/news/wales-news/wales-new-criteria-building-roads-26243266

Sections 3.43 to 3.56 set out how the government strongly supports growth in key freight corridors, as this provides the greatest ability to increase the pace of transfer of goods from road to rail. Given that rail freight is estimated to reduce emissions by 76% per tonne km travelled compared to road freight, it is clear how much more carbon efficient it is compared to moving goods by road.

Its evident thus that a strategy to increase rail freight, in conjunction with electrification, is crucial to the UK achieving its net zero goal and maintaining progress against its carbon budgets.

9. Does the NNNPS support development of:

- freight interchange infrastructure that encourages modal shift from road to rail?
 - Agree

Explain why, referring to specific sections of the NNNPS in your response.

Strategic rail freight interchanges

If freight moves from road to rail, one drawback is that rail is unable to undertake a full end-to-end journey for the goods concerned. There are then logistical problems with the 'final mile'.

Sections 2.15 onwards set out the importance of a strategic rail freight interchanges (SRFI) in providing a rail/road interface where other related distribution and freight activities can be located. SFRIs therefore optimise the use of rail freight and support lean and competitive business. Section 3.56 makes clear the strong support by government to help make this modal shift happen 'at pace' promoting and unlocking the benefits of rail freight. This is reiterated in sections 3.60 and 3.62, where it is recognised that an increase in rail freight will need to be supplemented by such interchanges.

An important factor in these developments is the potential for associated improved economic growth in an area. More specifically s5.240 notes there is the potential for jobs to be created in these interchange developments. This may be in warehousing or container handling facilities as well as potential manufacturing and processing activities. As such, maximising such social and economic opportunities will help ensure a localised 'just transition'. S3.92 shows that this is already happening in practice with recently consented SRFIs expected to create thousands of onsite jobs.

Section 4.79 makes it clear that proposed new rail freight interchanges should have good road access and provide appropriate parking and associated facilities to ensure support for heavy goods vehicle (HGV) driver wellbeing.

HGVs account for only 5% of mileage recorded by vehicles in the UK but they are responsible for 16% of GHG emissions. To meet truck emission targets, the UK's charging network needs to accommodate a charging system designed for large battery vehicles. This would be a good opportunity to specify that 'associated facilities' should include provision of appropriate charging facilities for both rail and road vehicles. For HGVs this would require high-power charging, i.e. 1 or 3.7MW for 45 minute break charging⁷. Given that such connections will require liaising with appropriate distribution network operators, this should be noted as a primary design consideration for strategic rail interchange sites.

12. Does, in your view, the NNNPS adequately address:

- carbon considerations in the development of national networks?
 - Agree
- wider environmental targets in the development of national networks?
 - Agree

7 National Grid (2022) '2022 EV strategy summary'. Online at www.nationalgrid.co.uk/downloads-view-reciteme/620210

Explain why, referring to specific sections in your response.

Carbon considerations of national networks

Section 3.71 sets out that currently only 38% of the rail network is electrified. This compares with 41% in Scotland⁸. To phase out diesel-only trains by 2040, further electrification will need to be accelerated in conjunction with technologies such battery innovations.

Progress on further electrification to achieve a netzero railway by 2050 is slow. Network Rail has set a target of electrifying 448km of track a year but has not come close to reaching that target once in ten years. In 2022, only 2.2km of total track length was electrified. This is less than 1% of the annual target needed to achieve a fully net zero railway by 2050.⁹ Indeed the overall amount of electrified track open to traffic decreased from March 2021 to March 2022, due to Network Rail decommissioning certain lines.

The commitment for England and Wales to phase out the use of diesel-only trains by 2040 will contribute to this decarbonisation pathway as well as reducing air and noise pollution. Any policy measures to enable an earlier phase-out should be encouraged. This could include looking at policy approaches in Scotland where Transport Scotland¹⁰, the Scottish government's national transport agency, has said it will replace high carbon emitting high speed trains with zero-emission alternatives by 2030 and that all diesel trains would be phased out of service by 2035.

Sections 3.79 and 3.80 sets out the need for developing rail freight to progress decarbonisation, through required implementation, and that government is committed to supporting the transition. The policy is still rather hedged with terms such as 'may include' decarbonisation of the existing network through improvements in power supply and rolling stock.

However, some funding mechanisms to support the modal shift from road to rail are referred to in section 3.98 through reference to the Modal Shift Revenue Support grant, which enables goods to be moved by rail where other modes have an economic advantage. Sections 3.93 and 3.94 set out that as an island nation, 95% of its imports and exports transits UK ports. So effective links for freight to and from ports are key enablers for UK economic productivity and competitiveness.

Section 3.87 identifies that as freight and logistics operators plan for carbon emissions reductions, they are increasingly looking to shift from road to rail for the middle journey of goods, for example from ports to warehouses and then on to distribution centres.

As rail is the only means of transporting heavy goods in a low-carbon way using existing, proven technology through electrification, as set out in section 3.97, this provides the crucial underpin for the primary policy emphasis to be on electrification of rail, supported by enabling strategic freight interchanges to make these 'workable' for UK business.

Wider environmental targets

Section 5.5 makes clear reference to provisions of the Environment Act requiring at least one target in each of four priority areas, namely air, water, biodiversity, and resource efficiency and waste reduction. It also requires targets to be set for fine particulate matter (PM2.5) and species abundance.

CCLA considers it important that attention is given to protecting and restoring nature whilst addressing climate change. Being 'nature positive' means not only addressing carbon emissions but also working to support the health and resilience of natural ecosystems, essential to regulation of the Earth's climate.

It is welcome that the s.5.6 of the policy statement recognises that nature-based solutions can deliver multiple benefits for climate, biodiversity, and people, and can play a critical role in tackling these interrelated impacts in an integrated way. More specifically that s.5.14 makes the direct link that nature-based solutions not only result in biodiversity benefits but also increasing absorption of carbon dioxide from the atmosphere.

8 Network Rail (2020) 'Traction decarbonization network strategy: interim programme business case.' Online at \setminus

9 New Civil Engineer (2023) 'Concerns raised over rail electrification pace with only 2.2km of track added in last year'.

Online at www.newcivilengineer.com/latest/concerns-raised-over-rail-electrification-pace-with-only-2-2km-of-track-added-

in-last-year-31-01-2023/#:::text=ln%20Great%20Britain%2C%20the%20total, among%20politicians%20and%20industry%20figures.

10 Transport Scotland. 'Rail services decarbonisation plan.' Online at www.transport.gov.scot/public-transport/rail/building-a-greener-railway

Whilst it is welcome that S5.36 states the Secretary of State should give positive weight to projects that embed nature-based or technological processes to mitigate or offset the emissions of construction and within the proposed development, CCLA particularly supports the objective set out in S5.29. This is that a whole life carbon assessment should be used to measure greenhouse gas emissions at every stage of the proposed development to ensure emissions are minimised as far as possible in the transition to net zero. This includes construction, maintenance, operation and use of the asset across its entire lifecycle.

16. Do you agree with the findings of the appraisal of sustainability?

• Agree

17. Explain why, referring to specific sections of the appraisals of sustainability in your response.

Section 5.1 of the appraisals of sustainability makes clear that the draft NNPS was amended to include a reframing of the biodiversity mitigation section to clarify the importance of enhancement in addition to mitigating harm and providing compensation. This is evident in the draft NNPS in sections 4.20 and 4.35, which refer to biodiversity net gain. Applicants are directed now, not to solely attempt to mitigate direct harm, but also to deliver opportunities for nature recovery by providing net gains for biodiversity. In doing so, applicants should consider whether nature-based solutions could provide a basis for such adaptation. These not only avoid further greenhouse gas emissions compared with some more traditional adaptation methods but can also provide biodiversity benefits and increase carbon dioxide absorption.

Table 5.1 also sets out useful recommendations for mitigation measures that CCLA would support. These are that the NNNPS could include a commitment that (wherever possible) all new rail development will be electric, prioritising electrifying the network around new strategic rail freight interchanges.

Important information

The views expressed do not constitute financial, investment or professional advice. CCLA Investment Management Limited (registered in England, No. 2183088) and CCLA Fund Managers Limited (registered in England, No. 8735639), whose registered address is: One Angel Lane, London EC4R 3AB, are authorised and regulated by the Financial Conduct Authority.

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