



## ASLEF Response – Department for Transport – Mode Shift Grants Review

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train driver's union representing just under 22,000 members in train operating companies, freight companies as well as London Underground and light rail systems.
2. We welcome the opportunity to contribute to this call for evidence. As a rail union we will answer the questions focussing mainly on a rail perspective of the Mode Shift Revenue Support Scheme (MSRS). We represent drivers working for freight operators who are on the frontline of moving goods around Britain, due to the privatised nature of the freight sector on the railways we do see fluctuations in the level of job security for our members and just recently have had to deal with redundancies due to operators struggling financially as a result of a slow down in their volumes. In DB Cargo's case a reduction in their traffic coupled with their reliance on funding from other parts of their wider business based in Germany, which itself is facing difficulty<sup>1</sup> has led to redundancies.
3. The mode shift grant is one tool which encourages the needed shift from road to rail for the movement of freight, the recently announced freight growth target<sup>2</sup>, whilst not overly stretching, is another tool which helps to encourage growth and can be used in conjunction with financial support to help achieve the government's growth target.
4. It is essential that we don't lose sight of the importance of shifting freight to rail, particularly when factoring in the environmental impact that it can have with one freight train replacing up to 76 heavy goods vehicles and a tonne of rail freight emitting 76% less CO<sub>2</sub> than a tonne of road freight<sup>3</sup>.
5. Unfortunately, the cancelation of HS2 and the refusal to complete HS2 Phase 2a and 2b will have a detrimental impact for rail freight with many businesses and operators planning their future plans around HS2 being delivered<sup>4</sup>. It is imperative that the infrastructure is appropriately invested in, allowing adequate renewal as well as maintenance to ensure that both passengers and freight are able to move by rail without unnecessary delay caused by a lack of investment. We are currently seeing the impacts of this underinvestment on the network with the Wales & Western Region being impacted greatly and now under investigation<sup>5</sup>. As we enter Control Period 7, we will see Network Rail looking to eke out as much from the infrastructure as possible, implementing speed restrictions, due to a lack of funding to cover the renewal of infrastructure, this will unfortunately have a negative impact on passengers and freight.

---

<sup>1</sup> <https://www.railadvent.co.uk/2023/11/db-cargo-uk-announces-redundancies.html>

<sup>2</sup> <https://www.gov.uk/government/publications/rail-freight-growth-target/rail-freight-growth-target>

<sup>3</sup> [https://www.raildeliverygroup.com/files/Publications/2019-05\\_rail\\_freight\\_delivering\\_for\\_britain.pdf](https://www.raildeliverygroup.com/files/Publications/2019-05_rail_freight_delivering_for_britain.pdf)

<sup>4</sup> <https://rfg.org.uk/hs2-decision-is-deeply-disappointing-for-rail-freight/>

<sup>5</sup> <https://www.bbc.co.uk/news/uk-england-67567564>

6. Whilst the mode shift grant can assist businesses to move to rail the infrastructure must be invested in adequately to ensure that rail is seen as a reliable service to enable businesses to reduce their carbon emissions by shifting from polluting road journeys to green rail with road completing the final mile of delivery.
7. We believe that recent actions of the Westminster government moving investment from rail to roads<sup>6</sup> doesn't assist in providing the required confidence for businesses to invest and ultimately is costing the UK jobs and investment<sup>7</sup>. We hope that sense can be seen and appropriate funding is given to the railways and its infrastructure.
8. Whilst we do not directly apply for the grant, we represent workers who benefit from the growth of rail freight and are opposed to option 1 of the DfT's review and will respond accordingly to some of the questions from the review to give further evidence on the need to keep a scheme in place to encourage a modal shift from road to rail.

**Do you agree or disagree that our schemes could benefit from being altered?**

9. As the schemes are expiring over the next two years it is sensible to review them due to the implications of leaving the EU and the fact that they would need to be introduced under the UK' Subsidy Control Act 2022.
10. We believe that the scheme could benefit by being altered to either introduce the ability to cover capital expenditure or failing this to work alongside a re-introduced Freight Facilities Grant covering England alongside Scotland and Wales.

**How in your view, if at all, could an effective temporary increase in grant rate be developed to respond to unexpected events?**

11. A temporary increase in the grant rate could be used to help respond to unexpected events, however we would not want this to be seen as a barrier to shifting to rail with businesses cognisant of the fact that there may be uplifts in the grant at future dates and they may seek to hold off shifting until an increase is in place. The goal should be to encourage the modal shifts with resilience in the rail network via appropriate investment in place to ensure that a reliable service is available for businesses wishing to shift freight road to rail.

**How, in your view, can the mode shift grants effectively respond to the adoption of new vehicle technologies while preparing for the longer-term impact of emerging technologies?**

12. Ultimately rail freight will always present an environmental and social benefit over road freight, even when factoring in new vehicle technologies. Battery

---

<sup>6</sup> <https://www.ft.com/content/697d4a19-38fd-4daf-ac7f-3548506260e3>

<sup>7</sup> <https://www.msn.com/en-gb/money/other/japanese-investor-to-ditch-500m-stake-in-hs1-and-east-midlands-railway/ar-AA1mgYX3>

<sup>8</sup> [https://www.business-live.co.uk/manufacturing/hitachi-slashes-value-durham-factory-28266691?int\\_source=nba](https://www.business-live.co.uk/manufacturing/hitachi-slashes-value-durham-factory-28266691?int_source=nba)

powered HGVs are heavier and will ultimately lead to further damage to the roads in Britain which will then require further investment to fix the damage, we have recently seen with 'Network North' the movement of money for a rail project for the North of Britain to roads in the South to fill in potholes. We should not be considering how to water down the value of the mode shift grants. Electric vehicles will still carry an environmental penalty due to the construction of the vehicle, the tyre particles<sup>9</sup> and the environmental impact of battery production<sup>10</sup>.

13. Current proponents for the acceleration of the electrification of HGVs point to the need to increase length and weight restrictions on vehicles to be able to produce electric HGVs which do not deter adoption<sup>11</sup>, this does not factor in the movement of more freight from road to rail or water which would reduce the need to amend rules on vehicle length and weight with HGVs and alternative vehicles just needing to complete the final mile of delivery.

**What additional areas, if any, do you think could be funded to promote environmentally sustainable freight?**

14. As noted above there is a lack of appropriate funding to ensure that our railways are reliable and provide capacity which allows the growth and delivery of reliable freight and passenger services. We have highlighted our concerns around the lack of funding for CP7 in our response to the ORR's draft determination<sup>12</sup>.
15. Investment in the rail network with the completion of the Ely Junction upgrade and electrification of the railways will further enable the grants to promote environmentally sustainable freight. Ultimately, we believe there needs to be a rolling programme of electrification on the railways but the Chartered Institute of Logistics and Transport (CILT) proposed an electrification strategy which would allow 95% of freight trains to be hauled by electric locomotives by the mid 2040s.<sup>13</sup>
16. Changes to the freight and logistics planning system that we have outlined in our response to the DfT's call for evidence<sup>14</sup> could be viewed as additional areas which could be funded to promote environmentally sustainable freight, such as, allowing co-location of facilities for loading / unloading of express parcels at night to expand the use of rail for express parcels.

---

<sup>9</sup> <https://www.theguardian.com/environment/2022/jun/03/car-tyres-produce-more-particle-pollution-than-exhausts-tests-show>

<sup>10</sup> <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/the-race-to-decarbonize-electric-vehicle-batteries>

<sup>11</sup> [https://www.transportenvironment.org/wp-content/uploads/2022/12/20230425\\_TE\\_BEHGV\\_public\\_charging\\_report.pdf](https://www.transportenvironment.org/wp-content/uploads/2022/12/20230425_TE_BEHGV_public_charging_report.pdf)

<sup>12</sup> <https://aslef.org.uk/publications/aslef-consultation-response-office-rail-and-road-periodic-review-2023-draft>

<sup>13</sup> [https://ciltuk.org.uk/Portals/0/RailElectrification\\_Spreads.pdf?ver=2023-03-01-101049-347](https://ciltuk.org.uk/Portals/0/RailElectrification_Spreads.pdf?ver=2023-03-01-101049-347)

<sup>14</sup> <https://aslef.org.uk/publications/aslef-evidence-submission-department-transport-freight-and-logistics-and-planning>

**How in your view, if at all, would the reintroduction of the freight facilities grant in England help accelerate the transition to alternative sustainable modes of freight transportation?**

17. As stated above the re-introduction of the freight facilities grant in England would enable capital expenditure to be covered this would offer a greater incentive towards a modal shift, particularly so with waterborne freight as Logistics UK outlined in 2022<sup>15</sup>.
18. Having the grant re-introduced to England would also ensure that it is in place for the whole of Britain with Scotland and Wales still having the grant in operation. Due to the interconnected nature of the freight network, this would also enable businesses to transition to sustainable modes of freight transportation knowing that they could grow their operations, benefiting from the freight facilities grant in any of the nations of Great Britain.

**How in your view, if at all, would the modernisation of the scheme, GB-wide, help accelerate the transition to alternative sustainable modes of freight transportation?**

19. As noted above re-introducing the freight facilities grant in England would help accelerate the transition to alternative sustainable modes of freight transportation GB wide as all nations would be offering the scheme on a network which is ultimately connected across all nations.
20. It is important that the rail freight network is viewed as a whole, from ports to intermodal terminals, strategic and rail freight interchanges. Viewing it through this lens as a starter will ensure that benefits can be felt GB wide as the whole network across borders will be valued.

Mick Whelan  
ASLEF  
General Secretary  
77 St John Street  
London  
EC1M 4NN

---

<sup>15</sup> <https://logistics.org.uk/media/press-releases/2022/july/logistics-uk-calls-for-government-to-review-the-mo>