



UK Warehousing Association Response to the RIS3 Variation Consultation

Submitted via email: RIS3Variation@dft.gov.uk

About UKWA

The UK Warehousing Association (UKWA) is the dedicated trade association for the UK's vital warehousing sector. UKWA represents 1,000 member businesses, who together operate around 400 million square feet of warehousing and distribution space across thousands of locations throughout the UK. Our members include third-party logistics providers, warehouse operators, distribution specialists, and integrated supply chain companies.

Warehousing is a fast-growing sector, expanding in Gross Value-Added terms from around £18.4 billion in 2010 to £28.5 billion in 2022. By employment, warehousing represents over a third of the wider logistics industry, which contributes around £185 billion to the UK economy. The sector employs over 760,000 people in the UK directly, and the UK's warehousing footprint has grown by more than 61% in the past ten years, in significant part to meet the dramatic rise in online retail. Warehousing businesses are essential to the smooth functioning of international trade, high street retail, food supply, manufacturing, and key public services including healthcare.

Summary

UKWA supports the Government's continued prioritisation of maintenance, renewals and network resilience within RIS3, and recognises the fiscal pressures created by the Defence Investment Plan. However, we do not support the proposed cancellation of the A46 Newark Bypass, and we have significant reservations about the proposed cancellation of the A38 Derby Junctions scheme. Both routes carry disproportionate freight and logistics significance relative to their position in this package of savings, and we set out the evidence for this below.

Responses to consultation questions

1. Do you support or oppose the proposed changes to RIS3, including the £428 million reduction and the specific areas for savings?

UKWA does not oppose the principle of a targeted, proportionate reduction in RIS3 capital funding to accommodate the Defence Investment Plan, and we support the decision to protect renewals, operational performance targets and the ten schemes already in construction. This prioritisation of asset maintenance over new capital schemes is consistent with UKWA's long-standing position that network reliability matters more to freight and logistics operators than marginal journey-time improvements.

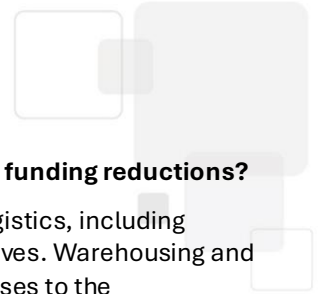
However, UKWA opposes the specific proposal to cancel the A46 Newark Bypass and has significant reservations about cancelling the A38 Derby Junctions scheme. Together these two schemes account for £315 million of the £428 million package (the great majority of the total saving) meaning the specific choice of where to find these savings falls disproportionately on two schemes with material freight and supply chain benefits. We would encourage DfT to test whether an equivalent saving could be found with less impact on strategic freight corridors, for example through a re-phasing of these two schemes rather than outright cancellation, alongside the proposed 2% reduction in other capital funding.

2. Do you agree or disagree with the prioritisation of capital funding for maintenance and renewals?

UKWA agrees with this prioritisation. For warehousing and logistics businesses, the reliability of the strategic road network is often more important than marginal reductions in journey times. Unplanned disruption, congestion and infrastructure failures can have significant impacts on inventory management, vehicle utilisation, labour productivity and customer service. Investment that improves network resilience helps ensure that freight movements can continue during periods of disruption and strengthens the UK's ability to respond to global and domestic economic shocks, severe weather and other force majeure events. We therefore support efforts to maintain existing assets effectively and improve the long-term reliability of the strategic road network.

UK WAREHOUSING ASSOCIATION

Harborough Innovation Centre, Airfield Business Park, Leicester Road, Market Harborough LE16 7WB, UNITED KINGDOM
T: (020) 7636 8856 **W:** www.ukwa.org.uk **E:** enquiries@ukwa.org.uk



3. Do you have views on how the RIS3 objectives should be prioritised in any capital funding reductions?

This consultation should recognise more explicitly the role of freight movements and logistics, including warehousing, as an enabler of economic growth, alongside the six RIS3 strategic objectives. Warehousing and logistics sit at the centre of UK supply chains: strategic road corridors connect warehouses to the manufacturing centres, ports, airports, distribution hubs and the end users they supply. Investment and reduction decisions should therefore weigh the wider economic value of freight movements, not solely the impacts on private vehicle travel.

UKWA encourages the Government and National Highways to continue prioritising routes that serve nationally significant freight movements, and in particular corridors that:

- Connect major ports and inland logistics hubs.
- Support manufacturing and industrial clusters.
- Facilitate movement between key economic regions.
- Strengthen the resilience of essential supply chains.

The strategic road network should be viewed as an integrated system underpinning the movement of goods throughout the country, rather than solely as a means of facilitating private vehicle travel. Where reductions are unavoidable, we would ask that freight and supply chain impact be given explicit weight as a sub-criterion alongside the existing six objectives, rather than assessed only implicitly through the economic growth objective.

4. Further evidence on the two proposed scheme cancellations

A46 Newark Bypass

UKWA has concerns regarding the proposal to cancel the A46 Newark Bypass. The scheme forms part of the Trans-Midland Trade Corridor connecting the Midlands to the international shipping ports of Grimsby and the Humber and carries a high proportion of HGV traffic - a strong indicator of its freight significance. The route also supports the area's Freeport status and connectivity to East Midlands Airport.

While UKWA recognises the need for Government to review investment priorities, we would encourage a careful reassessment of the strategic economic and supply chain impacts associated with cancelling this scheme. This is not opposition to the broader review of RIS3 schemes as a whole, but reflects the importance of ensuring that nationally significant freight routes continue to support economic growth and supply chain performance.

A38 Derby Junctions

UKWA also has reservations about the proposed cancellation of the A38 Derby Junctions scheme, which we consider equally material to the warehousing and logistics sector. The A38 is a strategic route carrying significant north-south long-distance and business traffic from Birmingham, through Derby, to the M1. Derby and the wider East Midlands is a nationally significant logistics and distribution location, and congestion at the three roundabout junctions the scheme addresses extends beyond peak hours into interpeak and weekend periods, directly affecting freight reliability and vehicle utilisation for operators serving the area.

Given the scheme's role in relieving a nationally significant freight corridor through a major logistics hub, UKWA would welcome further assessment of the impact of cancellation on freight reliability and operator costs in the Derby area before a final decision is made.

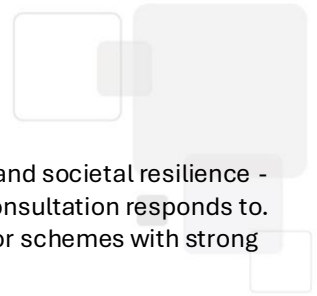
Infrastructure and national resilience

UKWA has recently engaged in wider discussions concerning national resilience through collaboration with defence, industry and infrastructure stakeholders. As reflected in our contribution to work associated with the Adaptive Capacity Alliance and Team Defence logistics initiatives, resilient transport infrastructure is a prerequisite for resilient warehousing and supply chains.

The UK's ability to mobilise goods, equipment and essential supplies in times of emergency depends upon a resilient and well-maintained transport network. Strategic road infrastructure therefore delivers benefits that

UK WAREHOUSING ASSOCIATION

Harborough Innovation Centre, Airfield Business Park, Leicester Road, Market Harborough LE16 7WB, UNITED KINGDOM
T: (020) 7636 8856 W: www.ukwa.org.uk E: enquiries@ukwa.org.uk



extend beyond conventional transport objectives and contributes directly to economic and societal resilience - including the same resilience objectives that justify the Defence Investment Plan this consultation responds to. We would highlight this connection as a reason for caution in reducing capital funding for schemes with strong network resilience and freight benefits.

Conclusion

UKWA supports the Government's focus on maintaining and renewing the strategic road network and agrees that resilience should remain a central RIS3 objective. At the same time, we encourage decision-makers to ensure that the freight and logistics implications of the proposed scheme changes are fully considered before final decisions are made — particularly for the A46 Newark Bypass and A38 Derby Junctions, which together account for the great majority of the proposed savings. Strategic road corridors are essential to the efficient functioning of supply chains, economic growth and national resilience.

We would welcome continued engagement with the Department for Transport and National Highways as the RIS3 programme develops, and would be glad to contribute operator and member evidence on freight impacts at either of the stakeholder sessions.

Contact: Policy@ukwa.org.uk