Chapter 1: Freight in Wales

The Welsh Assembly Government is committed to improving the lives of people in Wales and making our nation a better place in which to live and work. The ambitious and progressive ‘One Wales’ programme is working to achieve a nation with access for all, where travelling between communities in different parts of Wales is both easy and sustainable, and which will support the growth of the economy through transport of both people and goods. A good passenger and freight transport system is central to a vibrant economy and social justice through equality of access and greater mobility for people and goods.

Moreover, transport must play its part to safeguard the environment and improve the quality of life for everyone. ‘One Wales: Connecting the nation’ has a key role to play in delivering the Welsh Assembly Government’s strategic agenda, as transport is vital for a wide range of economic, social and environmental outcomes. Freight transport in turn plays a key role in shaping our daily lives. Within this framework, the ‘Wales Freight Strategy’ sets out high-level aims and policies for freight, and identifies a series of steps towards their delivery.

1.1 The Role of Freight

Transport is essential for many aspects of daily life. It provides opportunities for people to gain access to jobs, leisure and social activities as well as vital services such as education and health. Crucially for economic prosperity, it connects businesses with customers and suppliers, including the movement of people and goods. Every home, business and other organisation requires freight transport services of one form or another simply to function.

Freight transport is an indispensable element of the economy of Wales, and indeed in the wider trade of goods across the UK, Europe and the rest of the world. In fact, the movement of freight is more fundamental to the way of life that we take for granted than many realise. For instance, all the food that we eat and consumer items that we use are sourced as raw materials, manufactured and/or packaged and taken to retail sites, and freight transport is an integral part of the processes involved. Less obviously perhaps, waste needs to be collected and taken for disposal or recycling, hospitals could not function without reliable supplies of drugs, and schools need stationery. Postal and parcel services are also an important and increasingly valuable form of freight transport.

However, freight transport activities can also have profound effects on our environment, communities, and even our health.

1.2 Developing the Wales Freight Strategy

A number of areas within the UK (including Scotland and several regions of England) have developed, or are developing, freight strategies in conjunction with the freight transport industry and other stakeholders. Industry bodies such as the Freight Transport Association have been instrumental in these processes, along with other stakeholders. Recognising this increasing desire of the freight transport industry to work with its stakeholders, including customers, government at all levels and others, the
Welsh Assembly Government has been working in partnership with the freight transport industry, the Regional Transport Consortia and other stakeholders to develop the Wales Freight Strategy.

In particular, the Welsh Assembly Government convened the Wales Freight Group with a view to providing both an on-going forum for discussion of freight transport issues in Wales (which can also formulate freight-related inputs to specific initiatives) and to assist in preparing the Wales Freight Strategy.

The Wales Freight Group

The main function of the Wales Freight Group to date has been to feed into production of the Wales Freight Strategy, to assist the Welsh Assembly Government in promoting environmentally more sustainable transport while ensuring the Welsh economy is supported by an efficient and effective freight transport system. The Wales Freight Strategy is thus the culmination of work carried out by the Welsh Assembly Government and the Wales Freight Group.

As well as officers of the Welsh Assembly Government, the Wales Freight Group comprises providers and users of freight services across all modes of transport (road, rail, ports & shipping, airports and pipeline) and transport planners, and includes key stakeholders such as the Regional Transport Consortia in Wales, Freight Transport Association, Road Haulage Association, Rail Freight Group, port and shipping operators, representatives from Cardiff-Wales airport and Skills for Logistics (the Sector Skills Council for the freight industry). Throughout the development of the strategy, Group members have participated in meetings and seminars, which have provided significant technical input as well as oversight to the content of the strategy.

As a key aspect of considering and dealing with freight transport issues is partnership, the Wales Freight Group will also be a significant element in taking the strategy forward. As part of the process of delivering the strategy, membership of the Group will also be expanded to include other interest. In particular, to enhance the ability of the Group to address environmental issues, it is anticipated that the Sustainable Development Commission Wales and Cynnal Cymru (the Sustainable Development Forum for Wales) will be invited to send representatives to participate in the Group.

Consultation

The Wales Freight Strategy consultation document was published on 3rd October 2007, for a 3-month consultation period that ended on 4th January 2008. The consultation represented a key stage in developing the strategy, in establishing the views of those with an interest in realising an enhanced freight transport network and operation for Wales. The Wales Freight Group endorsed the consultation document and encouraged the participation of interested stakeholders.

Responses were received from a cross section of people and organisations, including transport network owners/operators, freight users/operators, industry & other interest groups, and local/regional authorities. The content of responses was broadly positive, and the overall message that the strategy outlined in the consultation document sets out the issues facing the freight transport industry and other stakeholders in Wales well, and includes a set of appropriate ‘steps’ to consider and deal with these going forward.

We have published (electronically) a separate report on the consultation process, including details of the responses. Some of the key messages from the consultation
which have been incorporated into the Wales Freight Strategy are:

You told us:
*You would welcome prioritisation of the steps towards delivery*
We identified a series of strategic priorities to focus work toward the long-term outcomes of ‘Connecting the nation’ and support the delivery of ‘One Wales’. These have been used to help prioritise the ‘steps towards delivery’ in the Wales Freight Strategy.

You told us:
*Delivering the strategy should give freight transport the enhanced profile it needs and leadership by the Welsh Assembly Government in this is important*
As part of the ‘Connecting the nation’, the Wales Freight Strategy has a key role to play in delivering the Welsh Assembly Government’s overall ‘One Wales’ programme. As well as our specific powers related to freight transport, our role in delivering the strategy will be reinforced with active participation in appropriate stakeholder partnerships and through the Wales Freight Group. The Assembly Government is also seeking to review its powers and ability to play a more active role in setting the agenda for ports and rail freight in Wales.

You told us:
*The environmental impact of freight transport should be given more emphasis, especially in considering air freight*
The Strategic Environmental Assessment (SEA) has also identified some issues, and some of the steps towards delivery have been reviewed and altered accordingly to take account of these.

1.3 Transport Policy in Wales

The Transport (Wales) Act 2006 confers a general duty on Welsh Assembly Government to promote and encourage integrated transport in Wales, and requires it to produce a national strategy which considers the passenger and freight transport needs of Wales as a whole – this is manifest in ‘One Wales: Connecting the nation’, the Wales Transport Strategy. The Wales Freight Strategy supports ‘Connecting the nation’, considering freight transport issues in more detail. It is important to note that whereas the Wales Freight Strategy has its origins in initiatives from the freight transport industry itself, the resulting strategy for Wales will be a statutory document of the Welsh Assembly Government.

Figure 1.1 shows an outline of the transport policy and planning process in Wales, showing how the Wales Freight Strategy fits in with the ambitious and progressive ‘One Wales’ and other policies, plans and programmes of the Welsh Assembly Government.

**Welsh Transport Appraisal Guidance**

The transport plans and programmes of the Welsh Assembly Government and Regional Transport Consortia, as well as individual schemes, will go through Welsh Transport Appraisal Guidance (WelTAG) assessment, to ensure that proposed schemes will individually and collectively optimise the delivery of the high level outcomes.

1.4 Transport Policy and the Environment

Living within environmental limits is not only about tackling the growing problem of climate change. Concerns about impacts...
from transport and other interventions on environmental resources have led to increased legislation, policy and guidance requirements, designed to protect, conserve and enhance these resources. The Welsh Assembly Government is committed to meeting the relevant legislative, policy and guidance requirements and encourages other transport providers to follow suit.

**Strategic Environmental Assessment (SEA)**

The Strategic Environmental Assessment Regulations for Wales require an assessment of the likely significant effects on the environment of plans and programmes and their reasonable alternatives. A Strategic Environmental Assessment (SEA) has been undertaken to assess the environmental implications of the Wales Freight Strategy.

An Environmental Report was prepared, outlining the potential environmental implications of the Strategy, and issued at the same time as the Wales Freight Strategy consultation document. An SEA Statement has now been prepared, and this has been issued at the same time as the final Strategy. The Statement sets out how the Strategy takes into account opinions expressed through consultation (on both the draft Wales Freight Strategy and the Environmental Report), and provides reasons if comments were not taken into account.

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**Figure 1.1: The Transport Planning Process in Wales**

1. **National Strategies**
2. **Wales Spatial Plan**
3. **One Wales: Connecting the nation**
   - *The Wales Transport Strategy*
4. **Wales Freight Strategy**
5. **National Transport Plan**
6. **Regional Transport Plans**
7. **Partnerships**
8. **Individual Schemes**

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*One Wales: Connecting the nation - The Wales Freight Strategy*
Habitats Regulation Assessment (HRA)

The outcome of HRA screening for the ‘Connecting the nation’ was that Appropriate Assessment is not required, as it is a high-level policy document with no implications for specific sites. The Wales Freight Strategy is of a similarly high-level nature, and as such also does not require Appropriate Assessment. The Wales Freight Strategy can only be implemented through other strategies and specific plans and projects and, because of its high level nature, will not constrain or influence those other strategies, plans or projects to an extent capable of increasing their likelihood of adversely affecting any Natura 2000 site.

Assessment of Natura 2000 sites*

An example is Article 6 of the Habitats Directive (as transposed into UK law through the Conservation (Natural Habitats &c.) Regulations 1994 as amended), that requires any new plan or project, including development proposals, likely to have a significant impact on a Natura 2000 site is assessed for its implications on that site in view of the site’s conservation objectives. If that assessment concludes that the project would have an adverse effect on the integrity of the site it can only proceed, in the absence of alternative solutions, if there are imperative reasons of overriding public interest. In addition, compensatory measures must be taken to maintain the coherence of the Natura 2000 network.

*As a matter of policy the Welsh Assembly Government requires public authorities to treat all Ramsar sites and potential Special Protection Areas (pSACs) as “European sites” for the purposes of the Habitats Regulations

1.5 Freight in the Wales Transport Strategy

‘Connecting the nation, the Wales Transport Strategy, is an essential element of the Welsh Assembly Government’s agenda. ‘Connecting the nation’ seeks to provide a stable, long-term framework, and deals with all modes of transport, as well as implications for other policy areas. The strategy specifies the outcomes and strategic priorities that link the Wales Spatial Plan, the Welsh Assembly Government’s wider strategies and development of plans at the local level, and its objectives will be delivered by integrating key proposals with broader national policy areas, as well as through the National Transport Plan and Regional Transport Plans. The Wales Freight Strategy is nested within the ‘Connecting the nation’ and is consistent with it.

The Welsh Assembly Government is committed to ensuring a future based on social justice, equality and sustainable development, and explicitly recognises the need for policies to reflect the diversity of communities. This has clear implications for transport, not only is an effective system vital for the economy and access to key services, but it also makes a major impact on the environment in its own right. Proposals in ‘Connecting the nation’ must deliver positive results for economic, social and cultural life, as well as contribute to world-wide moves to stem climate change. The transport system has a vital role to play in ensuring the prosperity and cohesion of 21st century Wales. It is not an end in itself but is vital to achieve many objectives for employment, society, health and the environment. Freight transport is an integral part of this.

Long-term Outcomes

‘Connecting the nation’ sets out a series of 17 specific long-term outcomes that transport can contribute to education,
spatial planning, health, social services, employment, the economy, environment and tourism.

The relationship between freight transport and these specific outcomes is complex. For many outcomes there is no direct link with freight transport, although this does not imply that freight is less important than other aspects of transport. The overall contribution of freight transport in relation to the outcomes is shown in Table 1.1. More direct impacts are summarised as follows:

- Positive economic impacts, in terms of those directly employed by the industry and the importance of freight generally to the economy;
- Positive environmental impacts of transferring freight from road to rail or sea;
- Negative environmental impact such as climate change impact of transport, as well as local impact of road vehicles, rail or port operations;
- Safety impacts associated with goods transport, particularly by road;
- Assisting in efficient use of infrastructure through influencing choice of mode; and
- Efficiency measures in the road freight industry potentially contributing to a reduced need to travel, and reduced environmental impacts.

### Social Outcomes

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Contribution of Freight measures</th>
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<tbody>
<tr>
<td>1. Improve access to healthcare</td>
<td>Freight transport makes minimal direct contribution, although healthcare and education facilities require a functioning freight industry, as do the retail and leisure industries</td>
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<tr>
<td>2. Improve access to education, training and life-long learning</td>
<td>Not directly relevant, but some limited scope for air quality improvements in urban areas</td>
</tr>
<tr>
<td>3. Improve access to shopping and leisure facilities</td>
<td>As a contributor to road accidents, goods vehicle safety should be improved (such as through driver training or infrastructure improvements). Where scope exists for reducing goods vehicle numbers, this could improve safety</td>
</tr>
<tr>
<td>4. Encourage healthy lifestyles</td>
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<td>5. Improve the actual and perceived safety of travel</td>
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### Economic Outcomes

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<tr>
<th>Outcome</th>
<th>Contribution of Freight measures</th>
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<tr>
<td>6. Improve access to employment opportunities</td>
<td>Increasing activity and numbers of jobs within the freight industry could itself assist in improving access to employment opportunities. In addition, improving the reliability of freight and connectivity within and to/from Wales should help to reinforce the stability of the economy as a whole</td>
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### Economic Outcomes (continued)

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Contribution of Freight measures</th>
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<tr>
<td>7. Improve connectivity within Wales and internationally</td>
<td>Of direct relevance to both people and freight movement – in particular, connectivity is seen as a key requirement for industry</td>
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<tr>
<td>8. Improve the efficient, reliable and sustainable movement of passengers</td>
<td>Not directly relevant, but there could be scope for beneficial and/or detrimental effects on freight transport as a consequence of improvements to passenger transport (similarly, measures aimed at freight could impact on the reliability of passenger movements)</td>
</tr>
<tr>
<td>9. Improve the efficient, reliable and sustainable movement of freight</td>
<td>Outcome of direct relevance to and aimed at freight transport, encompassing a full range of policies and measures</td>
</tr>
<tr>
<td>10. Improve sustainable access to key visitor attractions</td>
<td>Freight transport makes a minimal direct contribution, although attractions require a functioning freight industry</td>
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### Environmental Outcomes

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<th>Outcome</th>
<th>Contribution of Freight measures</th>
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<tr>
<td>11. Increase the use of more sustainable materials in sustaining our country's transport assets and infrastructure</td>
<td>The heaviest vehicles cause a high proportion of wear and tear to road pavements. Reducing overall numbers (operational efficiency or modal shift) would limit these impacts. More sustainable materials should be used in constructing freight transport facilities</td>
</tr>
<tr>
<td>12. Reduce the impact of transport on greenhouse gas emissions</td>
<td>Improved loading efficiency and use of cleaner fuels and engines would reduce impacts of freight on pollution, CO₂ emissions, noise and vibration (in particular road freight, but also rail, sea and air). Transfer of freight from road to rail, sea or inland waterway would also contribute in the same way. Some freight developments, e.g. interchanges or consolidation centres, could cause adverse impacts (e.g. flood risk, light pollution, noise)</td>
</tr>
<tr>
<td>13. Adapt to the impacts of climate change</td>
<td></td>
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<tr>
<td>14. Reduce the contribution of transport to air pollution and other harmful emissions</td>
<td></td>
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<tr>
<td>15. Improve the positive effect of transport on the local environment</td>
<td></td>
</tr>
<tr>
<td>16. Improve the effect of transport on our heritage</td>
<td>Limited effects. Some freight developments, e.g. interchanges or consolidation centres, could cause adverse impacts or require that suitable materials and practices are used. Alternatively, routeing strategies for goods vehicles could reduce the potential for impacts in sensitive areas</td>
</tr>
<tr>
<td>17. Reduce the impact of transport on biodiversity</td>
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**Table 1.1:** Contribution of freight measures to ‘Connecting the nation’ outcomes
### Principles and Priorities

‘Connecting the nation’ outlines a series of 5 principles for considering actions to take to achieve the outcomes. These principles, and how they relate to freight are shown above.

Taking the principles as the backdrop, ‘Connecting the nation’ sets out strategic priorities for its first phase, identifying a number of key areas and actions for early progression. The strategic priorities of ‘Connecting the nation’ are:

- Reducing greenhouse gas emissions and other environmental impacts from transport
- Integrating local transport
- Improving access between key settlements and sites
- Enhancing international connectivity
- Increasing safety and security

There are some clear links to freight in the priorities and actions, and these are drawn out in the Wales Freight Strategy, in particular in prioritising for implementation.

### 1.6 Outline Wales Freight Strategy

#### Key Aspects

The Wales Freight Strategy is designed to:

- Assist Regional Transport Consortia in the development of Regional Transport Plans;
- Identify and promote factors supporting sustainable distribution systems;
- Support Welsh industry and commerce with a reliable and cost efficient network for raw materials and manufactured and consumer goods;
- Anticipate and respond to fundamental changes in the supply-chain and markets;
• Identify weaknesses and constraints in the existing freight network which may impact negatively on the Welsh economy; and
• Integrate and maximise use of existing freight infrastructure using all transport modes to the benefit of the environment and economy.

Some of the other main imperatives behind development of the Wales Freight Strategy include:

• New transport powers for the Welsh Assembly Government;
• The need for environmentally less damaging transport;
• A shift in production to the Far East and Eastern Europe bringing new challenges to the economy of Wales/UK and its freight network;

Timing of the Wales Freight Strategy is thus apposite in relation to challenges, changes and initiatives facing the freight industry in Wales and the wider world.

Hierarchy

The demand and need for freight transport, along with the roles of individual modes and potential interventions, is considered at three levels in the strategy. These levels reflect the substantially commercial decision-making process that leads to freight transport movements taking place. This decision-making ‘hierarchy’ forms a key element of the strategy, and is shown in Figure 1.2.
There is very close synergy between the hierarchy of the Wales Freight Strategy and three of the key guiding principles of ‘Connecting the nation’. For instance:

**Principle: “Minimise the demands on the transport system”**

**Spatial Policies** - Firstly, measures can be considered to try to influence the overall demand for freight transport, through for example spatial planning policies, or working with industry and commerce to reduce empty running and promote local sourcing. This reflects that decisions are made by procurers of goods/services, as well as suppliers, and the various economic and geographic situations will then generate freight movements.

**Principle: “Promote more sustainable and healthy forms of travel”**

**Mode Switch Policies** - Next, having determined that freight needs to be transported from place-to-place, the second level of the hierarchy encourages efforts to be made to influence mode choice. This is specifically aimed at encouraging use of the most environmentally sustainable mode or combination of modes over the journey required. It particularly targets use of modes such as rail and water for as much as is practical for any journey.

**Principle: “Make maximum use of existing infrastructure”**

**Making Best Use Policies** - Thirdly, this level in the hierarchy promotes measures to make the best use of each network and mode. This is specifically to promote efficiency and minimise any adverse impacts that arise from the mode concerned.

The remainder of the strategy follows the story of freight through the hierarchy, considering the Strategic Issues (Chapter 2 & 3) that drive the demand for freight in the first place, as well as some of the key mode choice issues, suggesting a series of policies and actions in Chapter 3 that seek to address both ‘Spatial’ and ‘Mode Split’ elements. Subsequent chapters of the strategy consider each of the main freight transport modes in turn, including:

- Chapter 4 – Road Freight
- Chapter 5 – Rail Freight
- Chapter 6 – Ports and Shipping
- Chapter 7 – Air Freight
- Chapter 8 – Pipelines

Each chapter identifies some of the key issues and potentials of the individual modes, including a series of specific ‘steps towards delivery’ for each mode with both ‘Mode Split’ and ‘Making Best Use’ elements.

### 1.7 Policies and Actions

In developing the Wales Freight Strategy, a balance has been struck between high-level principles and action plans. The Wales Freight Strategy is part of the process of taking forward ‘Connecting the nation’, and as such focuses on high-level principles, which are not precisely determined in the strategy itself, but will be developed into specific proposals and action plans by subsequent processes. For example, it is intended that this strategy will suggest ideas for the development of freight-related policies and proposals in Regional Transport Plans, to be prepared by the four Regional Transport Consortia in Wales.

As such, the strategy presents ‘steps towards delivery’ at a number of stages in the document. These are set out to highlight
ideas that the strategy is promoting for each of the main freight transport modes, as well as in cross-cutting inter- and multi-modal issues.

Steps towards delivery can be considered in terms of their roles related to the three elements of the strategy hierarchy. Figure 1.3 indicates the relationship between steps towards delivery and the hierarchy. The ‘first steps’ consider strategic issues that relate to spatial and mode switch policies. These are discussed in Chapter 3. The ‘modal steps’ can be found in Chapters 4-8, and cover both mode switch policies specific to the mode concerned, as well as making best use and minimising the impacts of each mode.

However, it is also important to note the converse of this, in that ‘steps towards delivery’ are not intended to be considered as specific to any single location, set to specific defined timescales or be unrealistic ideas which are not capable of gaining financial and political support, though this need not be unanimous and/or immediate support today.

Public Sector Role

In considering the roles that the public sector has in relation to freight, it is important to take into account the substantially commercial nature of the freight transport industry. This is discussed further in Chapter 2, but in general terms this limits the potential role of the Welsh Assembly Government and its local and regional partners when compared to other areas of transport policy and practice, especially when comparing with passenger transport. In recognising this, the strategy identifies that the role of the public sector will encompass policies and actions that both seek to influence freight transport decisions and react to the commercially-driven market situation (in terms of current practice and anticipated changes).

It is therefore helpful to consider at this stage the range of measures that fall within the current remit of the Government and regional consortia in Wales. For example, these could include:

- Designation of routes for goods vehicles (including ‘no-car’ lanes)
- Designation of restrictions for goods vehicles;
• Planning policies;
• Provision of rest areas;
• Provision of, or support for, freight consolidation centres and town centre delivery controls;
• Provision of, or support for, multi-modal freight interchanges;
• Rail infrastructure improvements to assist freight on rail;
• Grants and/or subsidies to encourage modal transfer to rail or water;
• New or amended legislation on working practices; and
• New systems of charging for infrastructure use.

Each area of Wales will need its own distinctive response to delivering the strategy. As such, the Regional Transport Consortia can select the measures and initiatives within the strategy that will best address the issues that need the biggest focus in their regions. The Regional Transport Plans will propose priorities within their areas.