

TRANSPORT AND CONNECTIVITY

Issues Paper – Council for Economic Renewal 28.1.2013

Introduction

- 1) The social partners have previously highlighted the importance of good transport and communications infrastructure for the development of a vibrant Welsh economy. The purpose of this paper is to spotlight key areas where further investment in infrastructure is required, to confirm progress to date, and to allow discussion on how further investment can be progressed.
- 2) The major issues identified by the social partners are commented on below. More detailed papers giving the specific viewpoints of the Wales TUC and the Federation for Small Businesses are shown in appendices 1 and 2 respectively.

Rail Electrification

- 3) The planned electrification of the mainline between London and Swansea is extremely important in linking the South Wales economy to the global economy. Travel times to London and Heathrow Airport are key determinants for the location of business and rail improvements on the London to Swansea line will greatly assist in recapturing South Wales' competitive edge.
- 4) The electrification of the Valleys network is vital in order to develop connectivity within South Wales and to provide the economic and social cohesion that will improve the international competitiveness of South Wales. The electrification of the Valleys network is a crucial part of the success of a South Wales East Metro.
- 5) The social partners welcome the support that the Welsh Government has given to the development of a business case for the North Wales Coast Line and look forward to this progressing as a means of improving the economy of North Wales.
- 6) The large electrification programmes give rise to many procurement opportunities that could benefit Welsh businesses and workers. The social partners would welcome a Welsh Government initiative that helped focus the attention of Welsh business on these procurement opportunities.
- 7) There may also be development opportunities arising from the implementation of Network Rail's Route Plan 2014/19 that should be considered by the Welsh Government.

M4

- 8) The M4 around Newport remains a key concern for the social partners. The vulnerability of the existing network to closure has been highlighted several times over the past twelve months and improvements are desperately needed.
- 9) The planned improvements around Newport need to be progressed as a matter of urgency but most social partners still believe there is a case for a new M4 relief road. The social partners would be interested in how far discussions have progressed with the UK Government on possible assistance in improving the M4 in Wales.

A55

- 10) As the major road access into North Wales it is vital that the A55 is improved to allow greater accessibility to markets for North Wales based businesses. The social partners welcome the recent commitment to improve maintenance on the A55 but the aim must be for a much more resilient A55.

South Wales Rapid Transit System/City Regions

- 11) There is a great deal of enthusiasm for a South Wales Rapid Transit System that will improve the economic viability of South Wales and provide a major impetus to the creation of a genuine City Region in South East Wales. The FSB has outlined its views in respect of a Metro in Appendix 2.
- 12) The social partners welcome the Welsh Government's openness towards the development of City Regions and would encourage it to move as fast as possible in order to make City Regions a reality. The economic competitiveness of Cities has been recognized internationally, but to be successful there needs to be an effective Mass Transit system.

Port Talbot Harbour Development

- 13) The natural advantages of Port Talbot Harbour have not been widely recognized but development of the Harbour could provide a major boost to Welsh commercial activity. There would be significant advantages in developing the Harbour, although there may need to be improvements to the associated road and rail infrastructure to enable the potential to be achieved.
- 14) The Wales TUC has also identified the possible link between the proposed Severn Barrage and use of Port Talbot. The social partners would welcome any views the Welsh Government has on development of the Harbour.

Cardiff Airport

- 15) The social partners are aware that Cardiff Airport has not been as competitive as other airports in the UK and has seen a decline in passenger numbers. There are important economic development opportunities around Cardiff Airport as well as opportunities in the UK air freight market that will only come to fruition if there is a concentrated level of investment and strong management both of the Airport and the economic supports for Airport activity.
- 16) The social partners believe that a successful Cardiff Airport is a very important part of developing a successful Welsh economy. As a whole the social partners remain open-minded about the best way to make Cardiff Airport a successful gateway to the rest of the world but encourage the Welsh Government to give all appropriate support to the development of the Airport.

Broadband

- 17) The social partners have been very supportive of the Welsh Government's activities in improving the availability of Broadband in Wales and are pleased to see the recent announcement on the Superfast Cymru Programme. The social partners would welcome more details on how quickly the roll-out will occur.

Conclusion

- 18) The social partners have identified some key areas for discussion and debate. Where appropriate the social partners would like to contribute to Welsh Government policy development in these areas.
- 19) Connectivity is the key theme, improvements to the rail and road network can provide a major boost to Cardiff Airport and enable Port Talbot Harbour to be developed. The concept of a Metro supports the development of City Regions, which is also dependent on rail and road improvements.
- 20) A Wales well-connected to the global economy provides economic benefits for all residents and the basis for economic growth well into the 21st Century. To succeed in the global economy Wales must invest to regain a competitive edge and then use the benefits of connectivity to take full advantage of that competitive edge.

Appendix 1 – Wales TUC Cymru

Council for Economic Renewal - Transport & Connectivity

Enhancing Wales's transport infrastructure and connectivity is a major priority for the economy with the potential to transform many communities. At present there exists a set of major projects at various stages of development which the Wales TUC regards as strategically significant for Wales's long term economic performance.

In each case, planned – or potential – enhancements are also capable of providing short term job creation through direct contracts and substantial supply chain opportunities. Wales TUC hopes to see short term opportunities maximised in areas such as procurement where positive purchasing is already creating jobs and training places at a time of high unemployment.

Taken together, these numerous and overlapping projects have implications for economic development across Wales and should form part of an over arching economic strategy.

The key forthcoming and/or potential projects mentioned above are:

- **Rail Electrification – Cardiff, Swansea, the Valleys and North Wales**

Although the Network Rail electrification timetable spells out disappointing delays, Wales TUC supports the commitment for electrification on the First Great Western and Valleys lines. We also welcome the ongoing Welsh Government work to create a business case for electrification extending to North Wales.

- *Rail Franchise*

In addition, Wales TUC supports the devolution of the remaining UK powers over the Welsh franchise ahead of the 2018 tender process. Rail unions also support various not for dividend and/or mutual models for a Welsh franchise which serves the interests of the Welsh economy and local communities within it.

- **M4 Enhancements**

In response to the Welsh Government's 2012 *M4 Corridor Enhancements Measures Consultation*, Wales TUC supported proposals for a high quality dual carriageway to the south of Newport as a realistic way forward should sufficient funding be secured.

- *A465 Heads of the Valleys*

Developments along the Heads of the Valleys Road are a welcome example of substantial capital investment along a route that remains key to improving the region's transport network. We would welcome further information on the additional £11.5 million allocated to transport schemes as set out in the Finance Minister's Statement on 15/01/12.

- **South Wales Rapid Transit System / City Regions**

Wales TUC continues to support discussions on developing a regional approach to transport and wider economic development as set out within both projects. There should now be

Agenda item 4 – Social Partner paper

clarity on how this work will be developed including important considerations on governance and the representation of working people in any reforms and/or new structures. Regional planning on the scale proposed will require clear and strategic implementation to ensure the necessary buy in and collaboration.

- **Port Talbot Harbour development / Severn Barrage**

The natural deep harbour at Port Talbot remains an underutilised industrial asset within the Welsh economy. With the ability of handling cape size vessels, or super containers, of up to 170,000 dwt, the port's development should be regarded as a top priority for the Welsh Government as Wales seeks to boost its international trading offer. Welsh Government sea transport statistics show that Port Talbot accounted for just 1.5% of ship arrivals in 2009 (most recent figure available within 2011 Welsh Government Statistics¹) with most traffic concerned with transporting materials for Tata imports.

Linking with the potential development of the Severn Barrage, the port will be required to ship large materials for the construction process including caissons and marine turbines. The development of the largest marine turbine project in the world would mean new economic activity with potentially far reaching implications for South Wales and South West England alike.

Wales TUC would welcome Welsh Government comments on its ambition for Port Talbot Harbour.

- **Cardiff Airport**

The airport has been in crisis with rapidly declining passenger numbers including a 20% drop in traffic between 2011 and 2012. However, it remains the case that the airport has a vital role to play in boosting Wales's economic performance. It is important that proactive action is taken to ensure that the airport is able to become an international hub for Welsh interests around the world as well as an outlet for short haul tourism. Wales TUC welcomes the action that the Welsh Government has taken to date including proposals to purchase the airport.

The cumulative impact of these projects should result in much improved connectivity within Wales as well as external markets. The way in which we measure greater connectivity should extend beyond GDP and GVA figures alone. It is clear that access to, and the creation of, more and better jobs are key to Welsh Ministers' considerations on infrastructure so it follows that our evaluation and analysis should focus closely on those outcomes.

¹ Welsh Transport Statistics, 2011: <http://wales.gov.uk/topics/statistics/publications/transport2011/?lang=en>

Appendix 2 – Federation of Small Businesses

The Federation of Small Businesses in Wales, alongside many of the social partners, has endorsed the principle of creating a South East Wales Metro as part of the plans to refocus economic development along the City Region model.

It is also clear that moves towards delivering on this widely shared goal is in effect a visible declaration of intent that Wales and more importantly the Welsh Government, can provide practical and real world interventions to deliver not only economic growth, but growth that is sustainable and promises to be much more environmentally friendly than the current dependence on car and road transport.

The rationale and logic behind improving both the capacity and facility of the existing rail and bus network has most recently been explored by Mark Barry². However, all social partners have recognised with some concern that despite the overwhelming consensus on this matter and indeed the welcome news regards rail electrification across South Wales, the North and the Valleys, the actual development of a real Metro is dependent on practical matters such as through ticketing, card ticketing and improvements to timetabling. Recent comments reported by BBC Wales have been less positive and there appears to be real practical as well as political and public policy challenges to overcome.

In addition to this point, much of the public conversation around the proposed Metro has been in the context of enabling linear travel between residential and commercial destinations for the purpose of commuting or to provide links between various modes of transport. FSB Wales is keen for this conversation to be enlarged to include discussions on both travel for work as well as the well rehearsed topic of travel to work. It is important that consideration is given to the way in which maximum benefit can be derived from the Metro proposal as a driver for economic advantage during the work day as well as during peak travel times.

The imperative to overcome the practical problems posed by ticketing and timetabling comes from the need to demonstrate that key infrastructure and transformative projects such as the metro can and indeed will be delivered. In addition, it shows a clear commitment to both businesses and employees that across Wales and not only in the South East, that practical steps can be taken now, within the existing physical constraints to deliver a more passenger focused transport network.

Ultimately, the social partners wish to see the work needed to join up the existing network take place alongside the development of new routes and feel that delivering this key project is relevant to the economic development of the whole of Wales.

² Barry, M. 2011. *A Metro for Wales' Capital City Region* [Online]. Available at: http://www.mgbarryconsulting.com/iwa_metroreport.pdf (accessed 15th January 2012).