

# National Assembly Wales Elections 2016

## A Freight Manifesto for Wales



### Delivering a better Wales

250,000 tonnes of freight are needed every day to keep Wales functioning

NOx emissions 99% lower in today's trucks than those sold in 1990s

Severn crossing tolls restrict Welsh business and increase pollution

More use of rail and water could help make Wales cleaner and safer

Numbers of fatalities in incidents with HGVs down 50% in just last 10 years

M4 and A55 crucial to Welsh economy

Wales requires 250,000 tonnes of goods moved everyday by lorry to live and work. As this excludes vans, trains and sea freight, it is only only a part of what logistics does. The complexity of carrying out such a scale of operation every day is astonishing – and yet it happens with most people taking for granted the role logistics plays in keeping Wales functioning.

Disadvantaging logistics is not cost free. Eventually costs are passed on to customers and then the public. More expensive logistics increases the cost of construction projects such as housing, increases the price of supplying food to supermarkets, and makes it more expensive to supply our hospitals and schools with the goods they need.

## What logistics and Wales can achieve

FTA believes a better understanding of the logistics industry can make Wales a better place to live and work. It can become more prosperous, cleaner and safer. Nevertheless, the wrong measures could, despite sounding superficially attractive, hold back these same objectives.

FTA believes that as far as logistics and the needs of Wales are concerned, improvements can be made. The illustration opposite sets out the key objectives that can be realised and the right policies for achieving them.

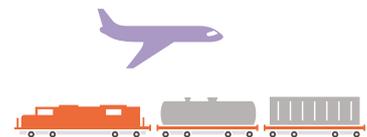
### FTA IN NUMBERS



**15,000** members make us the UK's largest and most trusted transport trade association



Our members operate over **half of the UK lorry fleet**



FTA members consign **over 90% of rail freight** and **70% of UK exports by sea and air**

Over **200,000** heavy goods vehicles are operated by FTA members



Over **50,000 queries** are handled from members every year



We train over **10,000** people every year



Over **360 staff** are available to support our members



# A BETTER WALES

## Stronger economy

Improve road and rail infrastructure across Wales – especially the M4 around Newport

Minimise tolls on the Severn bridges and introduce free-flow tolling by 2018

Develop and support skills initiatives for the logistics sector

Avoid unintelligent HGV restrictions

Enhance and protect quality of Wales' international road, air and sea supply chains

Support mode shift – maximise use of rail and water

## Safer transport

Continue to work with the logistics sector on road safety initiatives

Improve enforcement of HGV regulations on Welsh roads

Support secure lorry parking policies

Avoid unintelligent HGV restrictions

Develop city consolidation centres to minimise vehicle movements

Support mode shift – maximise use of rail and water

## Cleaner environment

Develop the infrastructure for alternative fuelled vehicles

Incentivise greener vehicle use

Develop city consolidation centres

Avoid unintelligent HGV restrictions

Introduce free flow tolling on the Severn bridges ahead of 2018

Support mode shift – maximise use of rail and water



## The challenge of freight in Wales

Wales is a diverse country, with its main population areas clustered around two important routes in the north and south, namely the M4 and A55. In fact, these two corridors carry over three-quarters of the freight in Wales.

Communities rely on efficient logistics to deliver food, clothes, documents, medicines, building and construction materials; 24 hours a day, seven days a week. Restaurants, sporting venues and tourist attractions need a constant supply of goods and services to meet the demands of their customers. In addition, the waste left behind has to be cleared up before another day begins.

Investment in affordable, comfortable and reliable public transport combined with policies to encourage more walking and cycling are, of course, key to ensuring that everyone can get to where they need to be to live, work and play. However, this must be considered alongside

how best to keep housing developments working, the shelves stocked, our restaurants and bars thriving, our hospitals supplied with medicines and equipment, and waste collected as well as the other myriad of activities the freight industry enables every day.

Of course, there are social impacts from vans and lorries – in terms of road safety and emissions. However, there are measures that can be implemented to address these impacts, which could result in social and environmental benefits, keeping costs down and enabling local businesses to function and for Welsh residents to get the goods and services they desire.



## The future

The Welsh Government (WG) has core policy agendas around growing, internationalising and re-balancing (re-industrialising) the Welsh economy. To achieve these ambitions government and members of the National Assembly for Wales (NAW) need to support the actions laid out in this document. Action needs to be taken now to secure the long-term sustainability of Wales if it is to remain competitive and attractive to the rest of the world.

## Key issues for freight and transport policy

The challenge for the logistics industry and government is how to address all these agendas – transport and freight are holistic networks and any action by local and regional government can have impacts beyond those intended.

FTA believes that by working with the logistics industry, the next Welsh Government and National Assembly can:

- support economic growth in Wales and manage the cost of living
- improve transport safety
- reduce environmental impacts

FTA members have identified 10 key issues that the Welsh Government should act on that would help advance these agendas.

- Severn Bridge – modernise tolls and reduce the cost burden on business when the bridge returns to public ownership in 2018
- Roads infrastructure – promote and develop trade routes across Wales particularly the M4, A465 and A55
- Invest in improving Welsh rail infrastructure – particularly the Severn Tunnel gauge clearance
- Support rail freight interchanges and operations through grants in Wales and the supply chain through England
- Lorry parking – ensure that adequate provision of secure and safe lorry parking is provided along the strategic road network
- HGV driver skills shortage – continue to work with the industry to finding a long-term solution to the problem and help promote the industry within schools
- Avoid utilising Low Emission Zones in a way that would bring notable costs for limited air quality gain



- Ensure sufficient alternative fuel infrastructure exists so commercial vehicle operators can begin to utilise alternatives to diesel
- Work with road users, including freight operators, to identify and take forward actions which will effectively reduce the number of fatal/serious accidents in Wales further
- Wales 'connections to the world' – ensure opportunities for trade are maximised by lobbying for sufficient quality of Wales' aviation and shipping supply chain through England via effective lobbying of UK authorities

# Stronger economy

The logistics industry underpins Welsh businesses, so allowing deliveries and servicing activity to be undertaken efficiently will keep costs down, improve Welsh competitiveness and support economic growth. It costs about £1 a minute to operate an HGV so simply put: congestion is bad for business.

Attracting and retaining investment is critical to the economic performance of an area. It is important that Wales provides the infrastructure to enable investment. Inward investment activities can be varied and involve a range of different factors – public and private. However, an important linchpin, which underpins these important factors, is a fit-for-purpose transport infrastructure.

## Improve the road infrastructure

The M4 and A55 corridors are of great strategic importance to Wales, providing a link to Ireland and England – and through England to European markets. As with all countries, Wales moves goods by road much more than other modes so maintaining targeted roads investment is vital to securing Wales' economic future.

It is crucial for the logistics industry that improvements to strategic roads are made a priority and that funding is secured. Particular consideration must be given to the M4 around Newport, the Heads of the Valley route (namely, the A465), and links into the Port of Holyhead along the A55 – which should include a new bridge across the Manai Straits.

In addition, government must consider the legal requirements for HGV drivers to take rests. These include daily rest breaks and overnight stops. Therefore the Welsh Government must work with their Westminster counterparts to encourage the comprehensive provision

of safe and secure commercial vehicle parking on or close to the strategic road network – including in Wales.

*Welsh Government must identify, maintain and improve key road trade routes across Wales.*

## Support the removal or reduction of tolls on the Severn crossings

The current Severn crossing tolls are an active barrier both to investment in Wales and to Welsh businesses winning business in England. The Welsh Government's own research into the impact of the tolls, published in 2012, clearly showed that scrapping the tolls, would add £107 million to the Welsh economy.

The Chancellor in his 2016 Budget announced that the tolls would be halved in 2018 subject to consultation. This announcement, although welcome, does not





go far enough. The revenue from the toll generates approximately £100 million per annum; halving this amount would still be substantially more than the predicted £20 million required per annum to maintain the bridges. To maximise economic growth, the tolls should be removed. At most they should only be set at the level needed to cover maintenance costs – about one-fifth of today's charges.

If charges are to remain, consideration must also be given to an early change at the toll booths – free-flow tolling reduces congestion and is better for the environment. FTA believes there is a case to commence dialogue now with the aim of introducing free-flow technologies ahead of the expected handover in 2018.

*Maximise Welsh business growth by removing, or minimising the burden of, tolls on the Severn crossings as soon as possible.*

## Rail freight

The Welsh Government plays a key strategic role in deciding access to the rail network in Wales. Firstly, it is vital that passenger interests do not solely dominate the rail agenda. Further, whilst plans to develop rail freight interchanges are rarely popular locally, they bring huge economic and environmental benefits. FTA urges AMs to balance the concerns of local residents with the need to develop national infrastructure when considering the planning system.

Rail freight in South Wales is constrained through lack of gauge clearance (ie the available space above the tracks being large enough to take containers on standard wagons) particularly at the Severn tunnel. Failure to move forward with improvements here would constrain the Welsh rail freight network, and negatively affect

the capability to target key growth markets, such as intermodal containers.

*It is important that Network Rail looks seriously at the limitation of the existing network. AMs are encouraged to keep this issue high on the policy agenda.*

## Support improved capacity for aviation and shipping

Most international freight arrives or leaves the UK by sea. Three major ports (Milford Haven, Port Talbot and Holyhead) carry the bulk of all Welsh throughput port traffic, and development of these ports should be supported where possible.

However, Welsh politicians should note a huge proportion of the goods leaving Wales for non-UK destinations are moved by ships and planes which leave from England. The most significant airport for the Welsh supply chain is Heathrow, and the most significant ports are Dover, Felixstowe, Southampton and London Gateway. Given the nature of Wales' supply chain, Welsh politicians must seek to influence transport debates in England to ensure access to these facilities is maintained and improved.

*The WG must secure the quality of the Welsh supply chain through English ports and airports via effective lobbying of UK authorities. AMs are encouraged to keep this issue high on the policy agenda.*

## Increase the skills base

The UK logistics industry is suffering from a shortage of HGV drivers.

Some government training funding is currently restricted from being used for gaining an HGV licence, and apprenticeships are confusing with the administration involved being an unwanted burden. More work also needs to be done within schools and career advice.

The industry is grateful to the Welsh Government for the support already given. However, this type of support needs to be extended to vehicle mechanics and vehicle technicians.

*Continue to work with the industry to finding a long-term solution to the problem and help promote the industry within schools.*

## Safer transport

Whatever the mode of transport, there is nothing more important to the logistics industry than safety. Britain prides itself on having the safest commercial road fleet in Europe, operated by the safest drivers. Our demand for goods does not begin and end at our borders. While our domestic fleet adheres to some of the toughest safety regulations, in terms of driver training and driving hours, along with the roadworthiness of the vehicle itself, those from other European nations may not.

*It is important that the Welsh Government takes all opportunities to promote road safety at an international level.*

The logistics industry is constantly investing in improved vehicles, new technology and better driver management to maximise safety. Compared to the baseline of 2004-08, the number of fatalities involving HGVs in Wales has fallen 50 per cent; the number of serious injuries has fallen by almost 20 per cent; and the accident rate per billion vehicle kms by almost 30 per cent.

Nevertheless, there is still much work to be done. Safety is about partnerships between different users and a coalition of different demands working together. This means education both for lorry drivers and other users on how to act around each other.

*A new government must work with road users, including freight operators, to identify and take forward actions which will potentially reduce the number of fatal/serious accidents further.*





## Lorry parking

Over the last 10 years, there has been a worrying trend towards thefts both of vehicles and loads; often accompanied by horrifying attacks on the driver. Recent data from Freight Watch International (FWI) has dramatically revealed that the UK is the third worst place in Europe for cargo theft, behind the current hotspots of Netherlands and Germany. In the most recent FWI annual review it shows a significant year-on-year increase of 39 per cent. These figures do not reflect the crimes reported to all of the law enforcement agencies, and so the underlying trend could be even higher. The most vulnerable situations are overnight stops at unsecured truck parks, lay-bys and motorway services. Here, a truck's 'curtain sides' may be cut or rear container doors forced open, often during the driver's rest period in the cab.

A key factor that allows these well-organised criminals to operate is that drivers have so few safe and secure places in which to take the breaks required of them by law. Truck stops and lay-by facilities are being closed down and not replaced. This leads to commercial vehicles parking in unsecure and inappropriate areas, which result in complaints from the public, harming the image of our industry and leaving the driver and their load susceptible. It is important the new Welsh Government considers the needs of drivers who, by law and for road safety reasons, are required to find a place to take daily driving breaks and overnight rest.

FTA is supportive of initiatives to recover stolen trucks, but fundamental action needs to be taken to tackle truck crime. It is clear that the problem of truck crime will not be brought under control until police forces are given the tools to co-operate effectively, as these crimes are rarely limited to just one force's jurisdiction.

The main issue for the development of new lorry parking capacity is that there is a lack of leadership on the issue, with little guidance to the facility developers often leading to a lack of provision. FTA believes that with reasonable guidance to local planning authorities there would be an appetite to plug the gaps in provision by encouraging investment into safe and secure parking facilities. This provision remains vital if the industry is to succeed in its aim of encouraging more women into the sector.

*Welsh Government must work in partnership with the logistics industry and police forces to fight truck crime in Wales, and encourage the provision of safe and secure commercial vehicle parking on or close to the strategic road network.*

## Support mode shift

Despite the improvements made in HGV safety, it still does not match the safety record of rail and water freight. These modes can play a role in making logistics even safer by taking some long distance movements (especially of bulk commodities like building materials or waste, and also containers) off the road until closer to their final destination.

*The Welsh Government should support the development of ports in Wales, of rail linked intermodal terminals and improvements to the rail network into and in Wales, especially on the southern corridor.*



# Cleaner environment

Wales has set some tough climate change targets to be met over the coming years, over and above the targets set for the UK by the Westminster Government. This requires a serious commitment from every facet of Welsh life, including its commercial transport.

The Environment (Wales) Bill which is likely to come into force this year will concentrate on a number of important areas, including climate change. In Wales, this will include an 80 per cent greenhouse gas reduction target by 2050 set against a 1990 level. In addition, Wales will be required to decide on the levels of international aviation and maritime emissions.

Tackling air quality is one of the most pressing responsibilities; however, the logistics industry is playing its part in reducing emissions.

Policy makers should note the progress heavy duty vehicles, such as buses and lorries, have made through the cleaner engine technology (Euro standards). Unlike the recent concerns over cars meeting their Euro requirements, significant on-road testing has demonstrated that Euro VI is delivering for lorries and buses (see graph below).

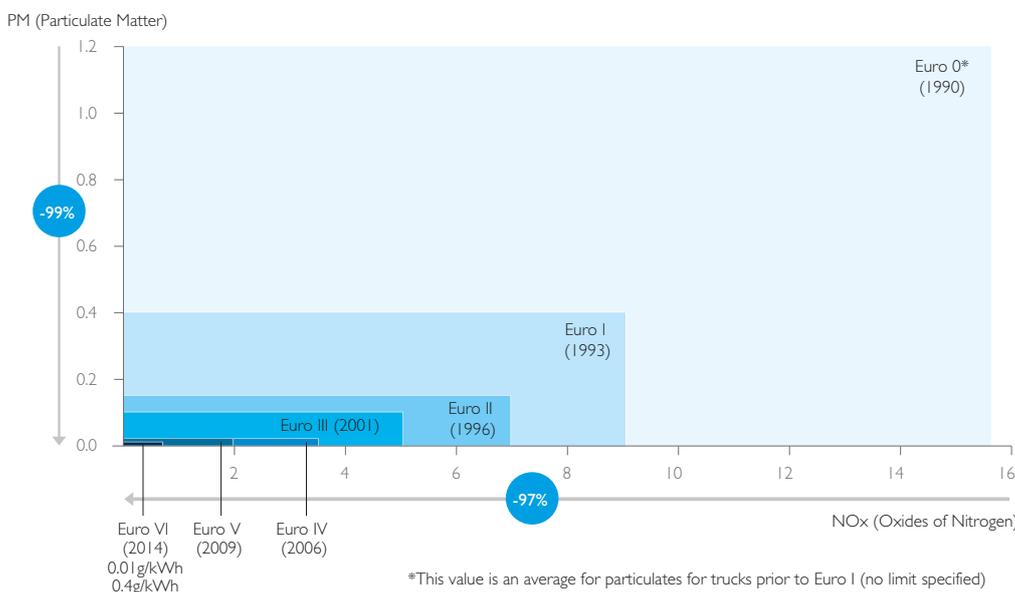
Euro VI engines have Oxides of Nitrogen (NOx) emissions that are 97 per cent lower than the pre-Euro average, and Particulate Matter (PM) levels 99 per cent lower. Even looking at the improvements over a more recent time period, the new standard is 92 per cent lower

for NOx and 90 per cent lower for PM than the standard introduced in 2001 (Euro III).

## Alternative fuelled vehicles

Operators increasingly wish to make use of alternative fuels for appropriate operations. The best option for vans and smaller HGVs at present is electric. For larger HGVs (above 12 tonnes), gas options are the most viable currently. The government should work with highways authorities and local councils to ensure that charging/refuelling infrastructure is available as needed, as this will be a key driver for increasing their use in the short to medium-term.

Some operators have purchased electric vans to supplement their fleet. These vehicles offer zero tailpipe emissions and are very quiet. However, take up is extremely low due to issues with upfront cost, battery range and reduced payload. Limitations to local electricity sub-stations may also deter some from investing more heavily in electric vehicles, as they would have to fund costly upgrades.



If NOx emissions per lorry were the size of a football pitch in 1990, they would be one-third the size of the penalty box today

For larger HGVs, gas rather than electric is a more viable solution. However, due to the higher upfront cost and lack of gas refuelling infrastructure, its uptake is limited. There are also opportunities for biodiesel, in particular used cooking oil.

*It is important that the Welsh Government takes all opportunities to promote/incentivise greener transport – especially developing the infrastructure across Wales to accommodate its use.*

## Out-of-hours deliveries

Out-of-hours deliveries have worked for a number of businesses in London. The principles adopted for these deliveries could be used in Wales in areas where there is a conflict between safe deliveries and congestion. In London FTA worked closely in partnership with the Noise Abatement Society, Transport for London and the Department for Transport in order to promote quiet operations, allowing relaxation of delivery curfews. Moving deliveries away from peak periods to the night-time and also during the 'shoulders' of the day can potentially offer environmental benefits as emissions are significantly reduced when working on uncongested roads.

*FTA would be keen to discuss out-of-hours delivery with the Welsh Government with the aim of identifying areas where such schemes could be adopted in Wales.*

## Mode shift

To help with reducing emissions from commercial transport, it is vital that the greenest modes are given the opportunity to thrive. Each freight train can remove on average 48 lorries from the road. However, rail infrastructure is not always in the right place, and the network must be shared between freight and passenger operators, which can restrict delivery times and flexibility.

Government should look at developing a truly integrated and inter-connected freight transport system, one which maximises the benefits of each freight mode. This could be achieved through the development of intermodal freight hubs, which promote long distance deliveries via sea and rail and provide the added capability to transfer to lorries for the final delivery leg.

*Government should explore the possibility of developing intermodal hubs to promote multimodal freight delivery.*

## Consolidation of loads

It would be useful to develop an understanding of the feasibility of consolidation centres for Welsh cities and towns. City consolidation hubs can provide a warehousing and distribution connection for HGVs to transfer goods to dedicated load efficient vehicles for urban deliveries, thus easing congestion on the road network. There are limitations as much is already consolidated and not all goods can be handled in this way. It should be noted that these centres often struggle to be financially independent and often require ongoing public funding.

*Support the development of consolidation centres at the local level wherever they can work with delivery needs.*

## Measures to improving air quality

With the UK struggling to meet EU air quality targets, many local authorities are looking at introducing other measures to reduce emissions levels, including Low Emission Zones (LEZs). These are blunt and expensive tools that deliver mixed results on air quality. As noted above, unlike diesel cars, the latest generation of HGVs are performing to the expected standards so emissions from this sector will decrease rapidly without further action – as new vehicles populate the fleet. There are many actions, such as traffic flow improvements, consolidation or facilitating out-of-hours deliveries, that would help improve local air quality in towns and cities more quickly than LEZs, whilst also delivering other social and economic benefits.

*The Welsh Government should ensure that the objective of any strategy must be maximised local air quality gain at minimum cost to local society.*

## Free flow technology

The Chancellor recently announced the evaluation of costs and benefits for developing a free-flow barrier tolling system on the Severn river crossings. FTA urges the Welsh Government to press the Westminster Government to start this evaluation at the earliest opportunity. Introduction of such a scheme will benefit road users, reduce congestion and benefit the environment.

*Utilise free-flow technology to minimise emissions at the tolling point.*

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