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A Vision for Cymru Wales



Stronger Together



Vision 2035: Transport, Logistics and the Economy

LOGISTICS AND TRANSPORT

VISION 2035



CILT's original 2011 Vision 2035 report paved the way for a series of new papers looking in detail at various aspects of the UK's future infrastructure and planning needs.

The Chartered Institute of Logistics and Transport's (CILT) well-received report Vision 2035 was published in September 2011. Its purpose was to look to the future and visualise how transport and logistics in the UK would develop, taking account of demographic changes, population growth, technological developments and social and political change. The aim was to identify the challenges the sector would face and the policy instruments needed to serve society as effectively as possible.

The main conclusions of the report were:

- Provision of effective freight transport capacity and reliable journey times must be key priorities to support recovery and growth
- Transport demand will be strongly influenced by population growth and an ageing population, and where these changes will occur
- The UK will never have sufficient capacity to meet all potential demands for transport services; the financial burdens on the UK limit its ability to fund new infrastructure over the next decade, and in the medium term the issue will be exacerbated by the fall in tax revenues from vehicle fuel duty
- Economic recovery can only be achieved if sufficient capacity can be released on, and added to, our transport networks, which requires demand management and behavioural change, as well as additional infrastructure
- The logistics and transport sectors should take the lead in promoting a reduction in freight and passenger traffic by supporting:
 - Alternatives to travel
 - Reduced commuting distances
 - Shorter, more localised supply chains
- Information technology has the potential to revolutionise the way we use and manage transport and logistics services and to make better use of capacity
- Transport planning must be integrated with economic and spatial planning and administered by organisations with regional or subregional powers

Vision 2035 did not claim to be the last word on the subject; neither should it be taken as established CILT doctrine. The Institute regards it as a starting point for continuing work on likely future changes and the development of more detailed ideas on how best to meet the likely demands on logistics and the transport system. The Institute is therefore promoting a series of studies, discussions and other activities to build on the original Vision 2035, update it and highlight new and emerging issues. Our new series of reports is called: *Vision 2035: Transport, Logistics and the Economy*.

This report: *A Vision for Cymru Wales*, has been prepared by the Cymru Wales National Committee, CILT. It applies the UK-wide perspective to more specific Welsh transport and logistics challenges. As such, it complements the other reports produced in this series.

The Institute hopes that this series of publications and events will stimulate debate, lead to a fuller understanding of future issues, and generate ideas on how our own members and the transport and logistics sectors more widely can help to improve our response to them.



A Vision for Cymru Wales

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Welsh context

CILT's Vision 2035 concept outlines the forces of change that are shaping society, and how transport and logistics should adapt to these new realities. These forces apply to Wales in common with the rest of the UK, and encompass an ageing and growing population, technological advancements, and the implications of climate change and the overarching objective from the UK Government and EU to reduce emissions.

One of the forces for change that *Vision 2035* envisages is a changing role for government. Specifically, it highlights the emergence in England of governance through 'new regional bodies'¹. A number of decisions over transport policy are now being made at the subnational, regional or local level, or are being informed by devolved bodies and authorities. *CILT's Vision 2035*, at the UK level, notes that the devolved governments in particular are showing a lead in some areas of public transport.

Evidence from Wales is that the Welsh Government and National Assembly will continue to focus on the development of transport and freight policy. Currently, the National Transport Plan sets out Welsh Government priorities in order to achieve:

- Reduced greenhouse gas emissions and other environmental impacts
- Integrated local transport
- Improved access between key settlements and sites
- Enhanced international connectivity
- Increased safety and security

During 2013/14, the Welsh Government announced priorities for road-building, including M4 relief capacity at Newport, and the National Assembly has signalled its intention to conduct an inquiry into rail franchising options for the country. The acquisition of Cardiff airport by the Welsh Government also demonstrates the varying practices of devolved governments to transport issues in their own countries.

Along with appreciating the emergence of a distinct transport policy agenda for Wales, *CILT* is now outlining a Welsh context in which the future of transport and logistics has to be considered across four spatial categories: rural, urban, interurban and international. The future of passenger and freight transport, leading up to 2035, is then considered across the four categories.

Finally, *CILT's Vision 2035* Wales approach also anticipates changes to governance and recommends potential changes by 2035.

A Vision for Cymru Wales Governance



Transport and freight policy has a strong interaction with issues of governance, particularly in Wales where several National Assembly inquiries have discovered confusion over which authority or body is responsible for which particular duty.

Transport and freight policy has a strong interaction with issues of governance, particularly in Wales where several National Assembly inquiries have discovered confusion over which authority or body is responsible for which particular duty. The porous border between Wales and England, and the resulting economic integration, means that transport systems cannot be distinguished between Wales and England as easily as they can between Scotland and England. Despite this, CILT's *Vision 2035* at the UK level considers the emergence of regional and local tiers of government (including devolved government) to be significant. The role of the Welsh Government and National Assembly in influencing transport policy is likely to grow, rather than diminish.

1. Transport in Wales is likely to see continued state involvement, usually on a partnership basis. The Glas Cymru not-for-dividend company that oversees Dwr Cymru/Welsh Water is an example of a form of regulated private ownership that suits the political climate in Wales. It is reasonable to expect that an operation of this kind in the Wales and Borders rail franchise could come into being by 2035, but this depends on the future of rail franchising itself, and when the Welsh Government is granted full authority over rail policy.
2. An increase in the powers of future Welsh Governments over transport is likely as the devolution debate started by the Scottish Independence referendum continues. This is likely to be a gradual process, as has been the case since the establishment of the National Assembly in 1999. The formation of the Assembly has seen some powers being devolved over rail (from the Strategic Rail Authority), an all-Wales rail franchise was created (with some Welsh Government oversight following the Railways Act 2005), and powers to promote transport developments generally were acquired in the Transport (Wales) Act 2006.
3. The Silk Commission recommended the transfer of powers and funding responsibility thus:
 - The 2018 Wales and Borders franchise to the Welsh Government
 - Funding the Network Rail Wales division infrastructure investment and transferring the Wales High Level
 - Bus regulation and the Traffic Commissioner's bus responsibilities is a major step forward
 - Taxi regulation; speed limits and drink driving laws are part of that overall single framework
 - Overseeing of trust ports (but excluding privately owned ports)
 - The Commission recommended in its first report that long-haul air passenger duty should be transferred to Wales – this is now particularly relevant with Cardiff airport in public ownership
 - The transfer of Severn Bridge tolls to the Welsh Government at the end of the concession was considered, but was left for the two governments to determine
4. While this kind of enhanced devolution settlement could theoretically come into effect in the short term, a longer term perspective envisages an even more empowered Welsh Government in some kind of federal UK. The resolution of these constitutional issues remains to be seen, but it is safe to anticipate the Welsh Government having more of an active participation in transport policy by 2035.
5. A future devolution settlement would include Welsh powers to set speed limits and drink driving regulations, more influence over bus regulation (allowing the possibility of bus franchising, among other possible interventions), responsibility for ports (potentially along the lines of devolved ports policy in Scotland and Northern Ireland), the ability to set short and long-haul air passenger duty levels and new powers over rail in terms of infrastructure and services². In effect, this would represent a transport 'devo max'. Issues likely to remain the responsibility of the UK Government include maintaining standardised regulations for shipping and maritime safety, road and vehicle standards, and driver licensing. Rail and aviation safety would also remain the responsibility of the UK Government.

2. Welsh Government, *Evidence submitted by the Welsh Government to the Commission on Devolution in Wales*, 18th February 2013, <http://commissionondevolutioninwales.independent.gov.uk/files/2013/03/Welsh-Government.pdf>

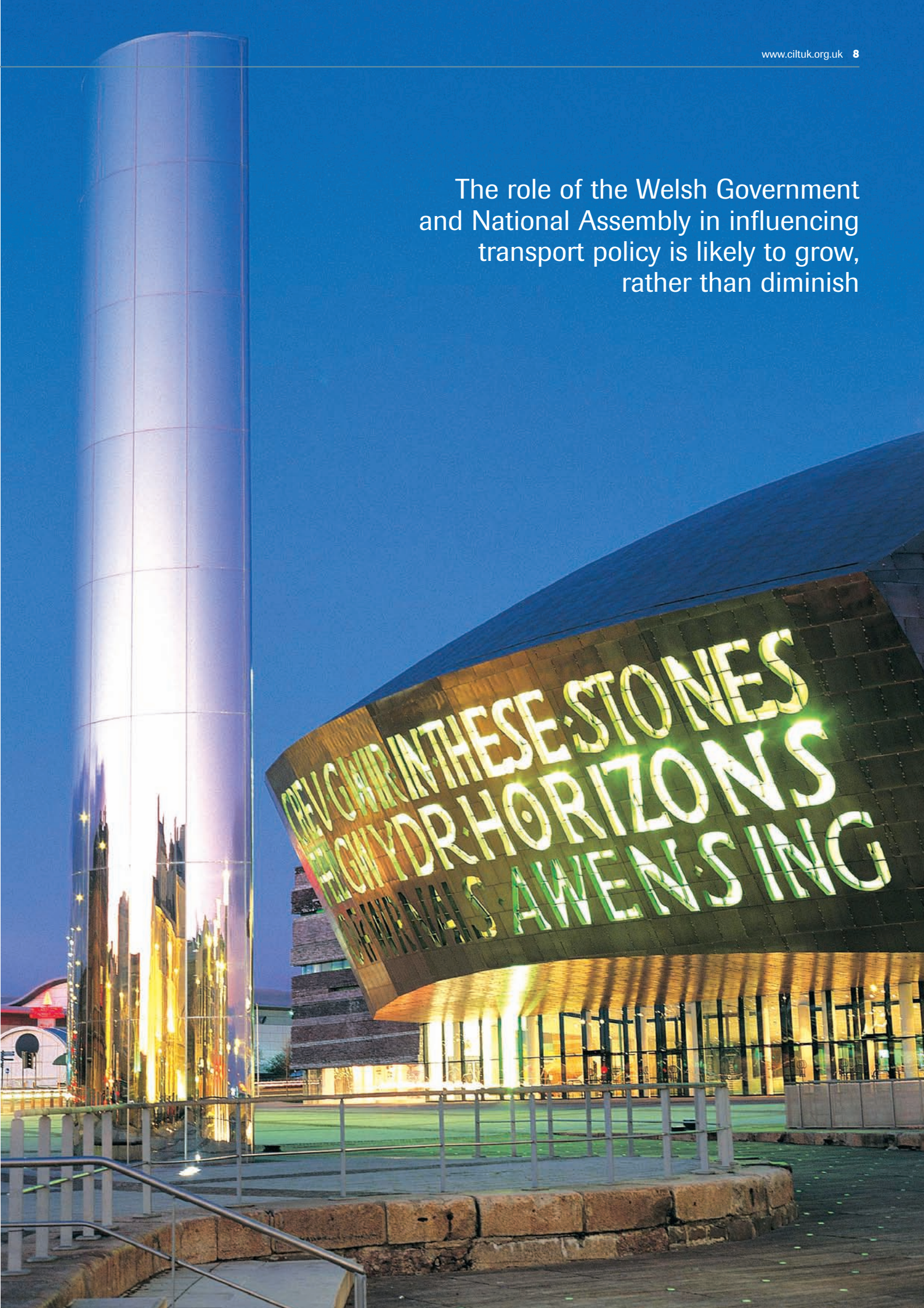
6. Rail infrastructure should be highlighted as a specific example of where the Welsh Government will have primary responsibility by 2035. The example of devolution of Network Rail output specification to Scotland remains the best blueprint, although the cross-border situation between Wales and England will require an intergovernmental partnership solution. This has already been discussed at the National Assembly and is proposed in the Silk Commission report. Therefore, this will be resolved well in advance of 2035³.
7. Other developments beyond the current Welsh devolution agenda might well affect transport governance by 2035. CILT has suggested that road pricing could come into effect to deal with the realities of climate change, congestion and the need to encourage modal shift; as long as the pricing of other modes is amended accordingly⁴. A consequence of this is an option to merge the three trunk road agencies into a single National Highways Agency (HA). Different charges might be required according to local economic circumstances, which makes a Welsh HA a necessity, especially if revenues are hypothecated to finance public transport. A Welsh HA would oversee the newly created roads market in Wales, having responsibility for roads within Wales and key cross-border routes such as the M4/M48 to the M5 junction, the M50, the A483, and the M53 and M56 from Wales to their interchange.
8. The future of the Severn tolls will be resolved as a governance issue by 2035, with a revenue stream existing to cover maintenance only. Due to the nature of the crossings, devolved Welsh control of the tolls should be seen as ideal, but would become essential if road pricing becomes a reality.
9. CILT has argued that greater taxation and borrowing powers for devolved governments could be tied to the closer integration of land use planning controls and policies with transport strategies, as in London⁵.
10. Energy sources for electricity are the responsibility of the Department for Energy. No plans appear to exist for the generation of additional electricity for rail and, by 2035, electric vehicles. In the case of rail, the Department for Transport has plans for substations, but not their power source. This same national plan is required if electric cars are to be a major change in personal mobility.

3. National Assembly for Wales Enterprise and Learning Committee, *Future Railway Infrastructure in Wales*, January 2010, www.assemblywales.org/cr-ld7872.pdf

4. CILT, *Vision 2035*

5. CILT, *Vision 2035*

The role of the Welsh Government and National Assembly in influencing transport policy is likely to grow, rather than diminish



A Vision for Cymru Wales

Rural transport – passengers



Rural communities play a significant role in the overall picture of Welsh spatial development. Rural Wales can sustain greater levels of car usage than urban and interurban Wales, from a spatial point of view.

Rural communities play a significant role in the overall picture of Welsh spatial development. Rural Wales can sustain greater levels of car usage than urban and interurban Wales, from a spatial point of view. However, the financial and environmental impacts of car usage are now well known, and rural areas of Wales face additional motoring costs. The future of passenger operations in rural environments requires imaginative solutions⁶.

1. Car usage in rural areas is well established, and this will continue to be the case up to 2035. CILT has predicted that electric and hybrid vehicles will become increasingly common over the next two decades, and that petrol and diesel engines will become more fuel efficient. This will decrease the Treasury tax take from vehicle fuel duty, possibly as much as 50% (or £15 billion a year) by 2035⁷. We anticipate issues around fuel duty, electric charging infrastructure and road pricing being dealt with on a UK or Westminster level, though there may be specific local effects, which are dealt with elsewhere in this report.
2. At the same time, car-sharing schemes can still work well in rural areas, where transport poverty can be higher, according to the Climate Change Commission for Wales⁸. Small scale car-sharing schemes with electric vehicles are emerging in Wales and these represent a blueprint for the future, their ownership and control remaining within the communities they serve.
3. Bus services in rural areas are more open to made-in-Wales solutions. The financial outlay for bus service subsidies in Wales is being squeezed due to the climate around public expenditure. The demand-led Bwcabus service is an example of an innovative Welsh solution to the challenges of maintaining timetabled services in rural areas. The Welsh Government and local authorities considers Bwcabus to have had a transformative impact in west Wales⁹. More Bwcabus-type operations should be expected in the future, their operations exploiting the increased prevalence of technology in society.
4. Several key rail lines in rural Wales, including the Cambrian coast line and the Heart of Wales line, are not likely to be included in any rail electrification plans prior to 2035. These lines are socially important, and also support tourism. The implications of not electrifying these lines are that older diesel multiple units (DMUs) will have to continue to operate unless the new franchise contains an option for new DMUs. The maintenance implications of running DMUs on the most rural lines should be kept under review. It is possible that light rail options could be investigated to sustain services along these lines. At a UK-level, CILT has suggested that light rail solutions can eventually reduce costs in rural areas compared to existing diesel-powered services¹⁰. Using the existing formations for mixed use, coach and rail services could be an attractive solution to enable services to be more closely aligned to demand.
5. The Welsh Government and its partners in the UK Government and Network Rail should investigate the feasibility of reopening or newly constructing some rural rail lines by 2035 or beyond that date. Specifically, a link between Builth Road and Caersws (Moat Lane Junction) could provide substantial capacity increases on two single-line railways and increase the percentage of north-south travel entirely in Wales. It is difficult to see this happening in the short or medium term, but a longer term perspective up to 2035 allows more ambitious projects to be considered. Reopening lengthy sections of track in rural Wales would be dependent on the social and cultural value of such links being recognised, in parallel with the current policy-making model of providing infrastructure improvements in line with predicted demand. However, for the foreseeable future the only practical operation is the Traws Cymru luxury bus network connecting those towns that were previously served by rail – for example, on Aberystwyth to Carmarthen this network provides a shorter journey time (under two hours) than the rail service could and serves the main areas of population, and hence demand. Nonetheless, it is feasible that by 2035, Welsh Governments will have more influence over long-term rail investment, and that new corridors of activity could be created in rural parts of Wales.

6. CILT, *Vision 2035*

7. CILT, *Vision 2035*

8. Climate Change Commission for Wales, Position Paper on Transport & Climate Change in Wales, June 2012, www.cynnalcyrmru.com/Sites/default/files/CCCW%20Transport%20Position%20Paper%206%20June_0.pdf

9. 'Popular Bwcabus service to be extended', Welsh Government, July 2012, <http://wales.gov.uk/newsroom/transport/2012/120709bwcabus/?lang=en>

10. CILT, *Vision 2035*

A Vision for Cymru Wales

Rural transport – freight



Rural freight and logistics will increasingly face the challenges inherent in moving goods, almost always by van or articulated vehicles, over long distances.

Rural freight and logistics will increasingly face the challenges inherent in moving goods, almost always by van or articulated vehicles, over long distances. Internet shopping is a growing trend and will be even more pronounced and consolidated by 2035. Choices around retailing that would affect rural communities will largely be made in the private sector, as retailers will need to reduce costs on freight in order to keep prices competitive.

1. Wales's rural market towns will become hubs to receive consolidated freight deliveries. Some small to medium-scale warehousing and distribution activity will take place in rural towns, where major retailers will develop drop-off boxes for online orders. This could represent an extension of the click-and-collect concept currently growing rapidly. Goods would be collected from drop-off boxes by rural customers, or processed for forward delivery by local couriers, other subcontractors, or even in the luggage holds of passenger bus services (as was the case up to the 1980s).
2. CILT Cymru believes that by 2035 co-operative networks for logistics will emerge within the supply chain, through third-party logistics providers (3PLs) working together, or through locally based operators acting as subcontractors to larger companies. The motivation of this will be to ensure that the logistics deliveries to rural areas remain cost-effective.
3. While technologies such as 3D printing can enable localised production facilities to be established, the need to supply raw materials means that this approach is not suited to the rural environments of Wales.

A Vision for Cymru Wales

Urban transport – passenger



The efficiency and ease-of-movement of passengers within Wales's urban centres will be key to the country's economic performance.

The efficiency and ease-of-movement of passengers within Wales's urban centres will be key to the country's economic performance. The debate in Wales is now more firmly focusing on the need to develop truly integrated urban and interurban transport systems, including features such as electrification, multimodal ticketing, and a role for walking and cycling.

1. It is essential for local and national government in Wales to deliver integrated transport systems in the Cardiff and Swansea city regions in advance of 2035, along with an appropriate integrated transport network in north-east Wales. The defining features of these networks include consistent ticketing across all modes of transport, improved customer information, newer and more comfortable rolling stock and buses, electrification of all necessary rail networks and the encouragement of cycling to work wherever possible.
2. A key factor that will affect public transport trends within Welsh urban centres will be the relative costs inherent in using Metro-style systems, compared to commuting short distances by car. It will be important for the financial cost to passengers of public transport to remain noticeably cheaper than the cost of driving a car, including a sense of compensation for the perceived loss of convenience of walking or cycling to the nearest station, compared to driving by car. Factors that might affect these trends could include congestion charging, which is likely to only be publicly popular *after* enhanced public transport is put in place, and charges for parking at workplaces and retail or entertainment locations.
3. The future of the motor car is an issue that has serious consequences for urban and interurban passenger transport. By 2035 electric, driverless car technologies will be commercially viable, although this depends on technological advancements and market decisions. The International Energy Agency predicts that 2% of global passenger cars will be electric by 2020¹¹. This would mark the beginning of a trend that could continue through the century. The role of devolved governments would be in helping plan and deliver the necessary infrastructure to help the automotive industry shift towards hybrid and other electric vehicles. Wales is likely to follow UK-wide trends, but may also have an interest (depending on its future responsibilities over energy planning policy) in approving more renewable energy developments to power these vehicles. Considerations about the UK's future generating capacity, including Wales, will have to include the need to deliver more energy to traditional retail fuel stations, along with the installation of car-recharging capacity along key roads, at public sector locations and also in residential areas.
4. Driverless vehicles will be sufficiently intelligent not only to increase road capacity by allowing them to travel closer together, but also to choose routings to avoid congested areas automatically and communicate this to other vehicles to even out traffic flows.
5. Car-sharing will have become a social norm by 2035, co-ordinated at the workplace level. Unique Welsh legislation could pave the way for all or most workplaces to provide car-sharing schemes, although this should not detract from the aim of encouraging and incentivising people to use public transport.
6. The development of public transport on an integrated basis will encourage local and devolved governments to explore the wider role of rail in society, particularly in terms of land use planning around interchanges, and whether interchanges and stations can become hubs of economic, social and leisure activity, due to the convenience of agglomerating activity around them.
7. Active travel will become an important factor to consider in the design of the interchanges and stations. The interchanges will be designed to provide access to nearby activity by walking and cycling through dedicated cycleways and footpaths. The move for retail centres to become places to visit rather than places for purchases to be made will further enhance the attractiveness of active travel, when combined with public transport to cover longer distances.
8. Working from home, which will be made more possible and frequent by 2035 due to technological and communications improvements, might be expected to offset some potential growth in congestion in Welsh urban centres by 2035. However, it would be a mistake to over-emphasise this trend, as employers in Wales still appear to want to retain workplaces and it will only apply to certain occupations. Public services will also still often need to be accessed in person at schools and hospitals. A transformation in workplace activity, large enough to affect transport planning, would be easier to forecast by 2050 rather than by 2035. As such, the policy focus should remain on delivering more affordable and attractive public transport.

11. International Energy Agency, *Global EV Outlook: Understanding the Electric Vehicle Landscape to 2020*, April 2013, www.iea.org/topics/transport/electricvehiclesinitiative/EVI_GEO_2013_FullReport.pdf

A Vision for Cymru Wales

Urban transport – freight



The consolidation of home deliveries at drop-box-style locations, possibly as an extension of click-and-collect concepts now emerging, will continue, especially if they permit coordination between different retailers.

Urban freight policy centres on how goods are delivered to retail, leisure, office and public sector locations. The main future pressures on urban freight in Wales will be the congestion and traffic generated by goods deliveries in urban centres, where freight traffic needs time to unload and takes up space. Such practices will also be significantly affected by the policies of the emerging city regions that encompass significant parts of the Welsh urban environment.

1. The main freight issues in urban areas by 2035 will be around how goods are delivered to retail, and how consumers then move their goods inside the urban centres towards their homes. Home deliveries, particularly for large items and for groceries, have already become normalised, although their costs might increase if fuel prices are significantly higher by 2035. The consolidation of home deliveries at drop-box-style locations, possibly as an extension of click-and-collect concepts now emerging, will continue, especially if they permit coordination between different retailers.
2. The extent of retail deliveries to the very centre of major towns and cities will actually decline, with retail outlets becoming showrooms for products and actual deliveries being through the routes outlined above.
3. The private sector will adapt to wider delivery times for home deliveries, with consumers demanding greater accuracy at the point of purchase as to the specific delivery time. Price-driven mechanisms to encourage efficiency in these operations will be a routine part of online shopping, including the ability to reschedule deliveries at very short notice.
4. There is a possibility for retail to become more public transport orientated, if a trend takes place towards fewer, larger retail centres. Retail locations by 2035 could become more focused on browsing, with purchases carried out online and goods delivered later from consolidated warehousing locations. These locations may be centred on the transport hubs identified earlier. This has mixed passenger and freight implications. Congestion in urban areas could be dampened, as consumers would not need to carry their own goods instantly, unless there was a specific reason.

A Vision for Cymru Wales

Interurban transport – passenger



Transport between urban locations, including the main conurbations in south-east and north-east Wales, and also to urban centres in England is important to Wales and its economy

Transport between urban locations, including the main conurbations in south-east and north-east Wales, and also to urban centres in England is important to Wales and its economy. The transport solutions required by 2035 will be cleaner and faster than the existing modes that are in place. Discussions could also be underway around developments that are not yet part of mainstream debate in Wales.

1. Rail electrification is essential for interurban transport. By 2035 the South Wales Main Line and Valley Lines will have been electrified for around 15 years. The North Wales Coast Line should be electrified by 2024, followed by the Marches Line and Bidston link to Merseyrail by 2029, and links to Aberystwyth and south-west Wales by 2035. These electrification projects would complete a transition in Wales to a low-carbon railway, covering all of the economically, socially and culturally important major routes. The major gains that can be realised through an all-Wales approach to electrification are the replacement of older vehicles with more comfortable and attractive newer vehicles (creating a better passenger experience), a reduction in emissions, reductions in journey times and, finally, the possibility that transport investment to boost economic development. It is expected that the Welsh Government will have considerable influence over such decisions, and that it should set out ambitious long-term goals accordingly.
2. Beyond conventional rail electrification, next generation high-speed technologies will be seen as the next step forward for rail network development in 2035. HS2 is currently subject to political debate in the UK. In 2035, a more settled picture will have emerged over the future of high-speed rail. North Wales should expect a connection to London via HS2, or via the West Coast Main Line through a regular hourly service using the capacity freed up by HS2, extended to Holyhead as appropriate to serve the ferry services.
3. In south Wales, the journey time from London to Cardiff will be reduced to 1 hour 10 minutes, and Swansea to two hours or less, requiring a 140mph improved conventional line. The current constraint of the Severn tunnel will be removed through the development of a new bridge crossing up river from the existing road bridges. The IEP trains will be 15 to 20 years old, and likely to be approaching a major overhaul where upgrades will enable these higher speeds to be achieved.
4. Planning for HS3 or an equivalent development directly connecting parts of Wales to the major centres of economic activity in south-east and north England will be underway by 2035. A high-speed corridor between south Wales and London is an attractive proposition, with journey times reduced to 50 minutes. A high-speed corridor in north Wales could also be envisaged.
5. If conventional North Wales Coast Line electrification has not taken place by the Network Rail Control Period ending in 2024, a wider social case would be made by Welsh politicians to proceed with a brand-new high-speed link instead. This route would also be in the planning stage by 2035. The role of Ireland as a European marketplace to the west of Wales could be highlighted to help make the case for high-speed corridors in both north and south Wales.
6. The development of regular overnight sleeper coach services – for example, from south Wales to Scotland and north Wales to London – could provide additional connections. These are likely to be in the private sector (following examples like the Megabus Gold service), and would become more cost-effective than long-distance car travel, and therefore useful for accessing services such as airports.
7. Long-distance direct coach services within Wales will remain important as a way of complementing rail services. The core of this will reflect the network currently being established under the Traws Cymru brand, but is likely to be extended and include space in the coaches for light freight.
8. In 2035, much of the interurban road network will have a similar structure to today, notwithstanding small elements of new infrastructure (such as additional capacity around Newport on the M4) and potential further upgrades of the A55 to motorway standards. However, technological developments mean that they will not look the same as today. It is likely that electric cars will have become widespread, with capability being installed within the road infrastructure to enable vehicles to charge as they move.
9. Further, autonomous vehicles will be able to travel in convoys with a much closer spacing and at consistent speeds, therefore increasing available capacity.

A Vision for Cymru Wales

Interurban transport – freight



CILT Wales-Cymru predicts a growth in intermodal freight services, particularly into south Wales from ports and from regional distribution centres in the English Midlands.

Interurban and long-distance freight operations are central to the Welsh economy, be that for retail deliveries from distribution centres generally located in England, deliveries of Welsh products such as steel to industrial centres or movements to/from major ports for imports and exports. Changes here will reflect those that occur in the wider economy. While some traditional manufacturing will continue, it is likely that interurban freight movements will be increasingly determined by the activities of the service economy.

1. The next two decades will see a greater use of electrified traction for rail freight, leading to more capable freight trains. Rail freight as a whole will have grown by 84% in 2020¹². The rail corridor in south Wales is well positioned for freight growth, but by 2035 the north Wales rail corridor could experience much more freight traffic as well. Wales should exploit economic opportunities around freight, including influencing decisions over investment in ports, waterways and rail, as identified by CILT¹³.
2. CILT Wales-Cymru predicts a growth in intermodal freight services, particularly into south Wales from ports and from regional distribution centres in the English Midlands. There are recent examples of intermodal growth in Wales, at Freightliner's international terminal in Cardiff¹⁴. This is likely to contribute to future Welsh targets for moving freight from road to rail (see also International Transport – Freight).
3. A trend of establishing regional distribution centres and warehousing at rail terminals will assist any move of retail freight traffic from road to rail. The Welsh Government's role in aiding this trend would be to use its planning powers to ensure that land is available at intermodal interchanges for logistics and warehousing capacity to be developed¹⁵.

12. Freight Transport Association, Comprehensive Spending Review Submission 2010, www.fta.co.uk/export/sites/fta/_galleries/downloads/road_rail_priorities/comprehensive_spending_review_2010.pdf

13. CILT, *Vision 2035*

14. 'FSEW and Freightliner celebrate record intermodal transport figures', Freight Systems Express Wales, 2012, www.fsew.com/News-FSEW-Freight-Service-Express-Wales.html

15. Freight Transport Association, Cross-border road and rail connectivity in Wales, April 2012, www.publications.parliament.uk/pa/cm201213/cmselect/cmwelaf/writev/crossborder/m22.htm

A Vision for Cymru Wales

International transport – passenger



With existing UK airport capacity at full stretch, the possibility of regional airports outside of London and the south-east taking up some of the redistributed demand is more realistic.

As a modern trading economy, Wales requires international passenger transport links, to other British nations and regions, EU member states and other trading nations. Welsh passengers make frequent use of aviation capacity in England, but the ownership of Cardiff International airport in the public sector also creates opportunities for a distinctive Welsh aviation policy.

1. The acquisition of Cardiff International airport by the Welsh Government is predicated on the Government eventually seeing the airport return to profit and considerably expanding its range of routes. According to CILT, the prospects for international and domestic (within the UK) air travel vary, in terms of cost¹⁶.
2. The success or otherwise of Cardiff airport will attract significant scrutiny following Government ownership, and the greater accountability of Government ministers to the media and public, compared with private owners. At this stage, the airport is following a robust programme to achieve significant growth in passenger movements and an increase in the number of Cardiff-based aircraft. However, with new services secured, annual passenger numbers of 4.5million would be expected by 2035.
3. With existing UK airport capacity at full stretch, the possibility of regional airports outside of London and the south-east taking up some of the redistributed demand is more realistic. In this scenario, the role of Cardiff airport would not be in competing with Bristol, but in creating a distinct position for itself.
4. In 2035, Welsh and other UK international passengers could be served for long-haul needs by Cardiff airport in a role as a 'Western Gateway'¹⁷. This is a concept that would see Cardiff specialise in long-haul routes as an alternative to the costly and controversial spectre of increasing aviation capacity in south-east England. Backers of the Western Gateway concept have suggested that this would negate the prospects of a mooted Severnside airport to replace Cardiff and Bristol¹⁸, an idea that in any case would be fraught with difficulty, not least in persuading the current airports to close.
5. Developing Cardiff airport as a facility including long-haul connections in its range of destinations, the most attractive being New York and the Middle East (as both a destination and hub), would take advantage of Cardiff having land available for expansion, convenient (over-sea) approach, and 24-hour operation ability.

16. CILT, *Vision 2035*

17. Professor Stuart Cole, Rudi Platt, Martin Evans and Professor Brian Morgan, *The Western Gateway Opportunity: Airport Capacity and Rebalancing the UK Economy*

18 'Aviation expert Martin Evans on proposals to expand Cardiff airport and a new airport at Severnside', Wales Online, 21st August 2013, www.walesonline.co.uk/business/business-opinion/aviation-expert-martin-evans-proposals-5760564

A Vision for Cymru Wales

International transport – freight



The main aim by 2035 is for Wales to have a competitive ports sector that can handle containerised traffic, not only at the ports but also on the rail network.

Current freight transport statistics show only a relatively small volume of products imported and exported into Wales from the EU by road or rail transport, while more significant volumes are transported through ports both within and, particularly for containerised productions, outside Wales. Again, changes in the wider industrial structure of the Welsh economy will have a significant impact.

1. With containerised imports becoming the norm over the next 30 years¹⁹, along with associated economies of scale, there is huge potential to use rail in moving international freight to and from Welsh and other UK ports. The main aim by 2035 is for Wales to have a competitive ports sector that can handle containerised traffic, not only at the ports but also on the rail network. The constraints resulting from the Severn tunnel will be superseded by 2035 by a new crossing or high-speed link across the estuary. With electrification, Welsh ports and terminals will be capable of handling the largest maritime containers, with distribution opportunities throughout the UK.
2. The underutilisation of Welsh ports has been detailed at length in a study by the Wales Transport Research Centre²⁰. A common factor affecting Welsh ports is their distance from road and rail markets, with the limitations around rail being more relevant to any vision for 2035. With freight traffic projected to grow in all accepted forecasts, Network Rail's next 10-year Route Utilisation Strategy after 2019 (or equivalent exercise) should include measures to take advantage of Welsh ports capacity.
3. By 2035, a range of unconventional or ambitious transport projects could be under discussion for completion during the second half of the century. Serious consideration could be given to a UK-Ireland tunnel, running from Holyhead to Dublin and incorporating one of the EU's major designated TEN-T routes. The tunnel would have to be rail based, and serve freight and passenger functions. This would be a major engineering and investment project of European significance, but could be a serious topic of debate.
4. By 2035, it would also be expected that Cardiff airport would have an enhanced level of air cargo services. The development of new industries, such as the medical sciences, means that there are more products suited to the use of air cargo. Capacity constraints elsewhere, plus the capability of the infrastructure at the airport will also see demand redistributed.

19. Freight Transport Association, *Cross-border road and rail connectivity in Wales*

20. Wales Transport Research Centre, *Wales and the Atlantic Arc: Developing Ports*, March 2006.
http://transport.research.southwales.ac.uk/media/files/documents/2007-02-15/Wales_and_the_Atl_Arc_REPORT.pdf

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Conclusion



CILT's forces of change have now identified and applied through Vision 2035, including the emergence of devolved decision-making, along with demographic and technological changes that affect all of the UK's nations, regions and communities.

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Decisions made in Wales will shape the transport scene here for the next quarter century, even as decisions made outside of Wales and in the fields of research and development continue to shape the appearance and scope of transport networks.

New developments may arise that are outside the scope of this report. Nothing can be assured about the future, but CILT Cymru Wales's role is to engender a debate around some of our key predictions, including:

- Sweeping reforms, leading to a 'devo max' situation in relation to Welsh governance over transport policy, allowing for innovative Welsh and local solutions, in line with CILT's predicted emergence of regional actors
- The electrification of all major railways in Wales, set to a gradual timetable, with sizeable journey time reductions
- High-speed rail to be developed in north and south Wales, with planning already having begun by 2035
- Demand-led, innovative and technology-enabled rural transport solutions, such as car-sharing and demand responsive bus services linked to core routes to become widespread in rural Wales
- Challenges for the continued operation of rural railway lines, with light rail or combined use infrastructure being likely ways to improve their economic sustainability
- Freight consolidation, including reviving rural towns by creating drop-off hubs, more intelligent price-controlled delivery options, and localising supply chains as much as possible
- The provision of the right infrastructure to adapt Wales to use intelligent electric vehicles
- Continental European-style Metro systems being in operation by 2020 for the Cardiff/Newport conurbation and for Swansea, as a precondition for publicly justifying congestion charging in common with other cities
- Interchanges – formerly seen only as train stations – to become hubs for retail, logistics, and drop-off boxes, with rail playing more of a central role in society
- The growth of active travel as a means to access these interchanges with integrated routes complementing the other modes of transport
- The development of Cardiff airport as a facility including long-haul flights, maintaining international air connectivity from Wales
- Significant ports and rail development to allow Wales to compete in the growing containerised freight market, exploiting the Welsh position on the Atlantic seaboard
- A Welsh role in any future road pricing plans, through a dedicated Welsh Highways Agency

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Notes



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