

South West Wales Regional Committee SWWR-03-99(p.6)

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Venue: Council Chamber, Pembrokeshire County Council, County Hall, Haverfordwest

Title: **Hard & Soft Infrastructure in Wales**
Submission from South West Wales Economic Forum

ECONOMIC INFRASTRUCTURE OF SOUTH WEST WALES

1. The South West Wales Economic Forum

1.1 The South West Wales Economic Forum was established in 1997 to promote the economic growth and development of South West Wales. The Forum is a vehicle for co-ordinating and promoting action on issues of agreed regional importance by undertaking research into regional economic issues, co-ordinating action amongst its partners and lobbying the government and other agencies. There are fourteen member organisations with a total of 28 representatives making up the Forum.

1.2 The Forum is served by six Working Groups:

- a. Productive Economy
- b. Tourism
- c. Learning and the Labour Market
- d. Infrastructure and Communications
- e. Community Regeneration
- f. Rural Development

1.3 Membership of the Forum and the Infrastructure and Communications Working Group is given at the end of this note.

1.4 This note has been prepared on the basis of the ongoing work of the Infrastructure and Communications Working Group and the Forum's current review of its overall priorities which will be completed in November

INFRASTRUCTURE IN SOUTH WEST WALES

2. Introduction

2.1 The employment structure and needs of the region are changing and affecting travel patterns. Access to jobs and social opportunities varies significantly throughout the region, often reflecting transportation deficits in all modes. Telecommunications and energy deficits have also been identified.

2.2 Levels of car ownership and the availability of a car during the working day are lower than the Welsh average and much lower than those of the UK. At the same time, public transport patronage in urban areas is declining. There are conflicts between the desire for sustained commercial viability of urban centres, the demand for vehicle accessibility and parking and the desire for a better quality of life and environmental protection.

2.3 The overriding consideration for the region, however, is how to strengthen the links between the region and the rest of the UK and Europe. This is fundamental to the economic health of the region. A coherent strategy is proposed to provide a balanced approach to transport provision, controlling the harmful effects, but ensuring wider access to educational, employment and leisure opportunities without endangering the integrity of established communities and the environment.

2.4 The region is on the periphery of Wales, and Wales in on the periphery of Europe. Improved access and communications are essential to resolving the deep seated structural problems of the area. The objectives for infrastructure, communications and energy are to assist in economic regeneration and the promotion of tourism by:-

- a. ensuring accessibility to jobs and services for including rural communities with limited or no access to personal transport
- b. providing effective and economic access to the UK and European markets
- c. providing an environmentally friendly framework for sustainable development

2.5 This will be achieved by:-

- a. providing good quality, coherent, communications networks, reducing journey time and operational costs
- b. achieving an appropriate balance between modes to provide alternatives to road delay and congestion
- c. improving transport safety through better quality provision
- d. driving up public transport usage by enhancing existing arrangements and developing "second generation" public transport (guided bus ways)
- e. encouraging environmentally friendly forms of transport
- f. providing better and more coherent passenger information and marketing
- g. facilitating and enhancing efficient intermodal transfers

- h. providing for essential commuter journeys by easing road congestion in urban areas and actively encouraging transfer to public transport, walking and cycling.

3. A Strategy for Infrastructure

The South West Wales Economic Corridor

3.1 The Forum's strategy is to establish an "economic corridor" from Port Talbot to the western ports based on the highest possible quality infrastructure -- road, rail, telecommunications, sites and premises. Along this corridor we plan to establish a series of specialist nodes where we can offer tangible advantages to local and incoming investment. This is the only way that we can counteract the disadvantages of our location and reduce the economic disparity between South West Wales and Wales as a whole.

3.2 The advantages we need to offer to investors will not be solely in terms of hard infrastructure. We will also need:-

- a. to use the Objective 1 programme to develop soft infrastructure in terms of business support initiatives and training for the workforce and the economically inactive: and
- b. to take every advantage of the European Union's State Aid Regulations in Objective 1 regions, including operating aid, for businesses investing in capital and labour in the region.

4. Road Transport

4.1 The European Union's Trans European Network for Transport makes a commitment to the extension of the M4 corridor west of St. Clears to the western ports, to a consistent and high standard. This is a high priority for the region. The dualling of the A40 beyond St Clears to Haverfordwest and the western ports is an essential element in our strategy. We recognise the argument that improved road communications can draw investment out of a region but we think that the advantages far outweigh the disadvantages. If the economy of Pembrokeshire is to flourish it must compete in a wider market and must be given the infrastructure to do so. We do not support the concept of an isolationist economy.

4.2 There is a Welsh Office study of the economic impact of this proposal. From ministerial statements we understand that there is a strong case to be made. But we have not been able to obtain a copy of this study. It will be essential if we are to pursue this vital issue through the Objective 1 programme.

4.3 Capacity problems on the M4 at Port Talbot and, further east, at Newport require solutions if the region's economy is not to suffer. The proposed Port Talbot peripheral distributor road (PDR) will relieve congestion on the M4 while providing access to the development potential of Junction 38, the docks and deep water harbour and the Baglan Energy Park.

4.4 The A465 corridor from South West Wales to the Midlands, also part of the Trans European Road Network needs upgrading to consistent standard throughout its length.

4.5 Local authority maintained highways on the Strategic Highway Network require increased support to maintain their standard and for limited improvements for safety, economic development and accessibility reasons.

4.6 There is scope for massive improvements to the "first generation" public transport network to relieve urban congestion, provide lifelines to isolated communities and provide access to employment opportunities for many in our region. Firm proposals for intermodal transfer and for underpinning the proposed network are being developed.

4.7 Given the burgeoning demand for transport, proposals for regional "second generation" public transport are also being developed. Urban guided bus networks as an alternative to urban road building, and innovative ways of increasing rural community accessibility are needed.

5. Rail

5.1 The Forum's objective is to extend rail freight services as far westwards as possible to serve local industry, reduce road freight and attract more freight to and from Ireland. We envisage perhaps two freight interchanges, one in the west of the region and one in the east.

5.2 There are gauge and signalling limitations on lines west of Cardiff that prevent the use of the high capacity rolling stock necessary to make freight services economical. These can be overcome at reasonable cost.

5.3 However, the local market for rail freight diminishes the further west one goes although the international market increases within reach of the ports of Swansea, Pembroke Dock and Milford Haven.

5.4 The West Wales Rail Forum is seeking funding for a study of the potential for intermodal facilities on both sides of the Irish Sea to serve the freight movements to and from Ireland.

5.5 The region also needs internal rail development for inter-community and journey to work purposes, connected into a fast and efficient national system. In particular there is a need for an extension of Swansea Bay suburban services by improving and re-commissioning freight-only lines and construction of new stations with infill stations at other main line locations.

5.6 There is both a need and an opportunity for massive extension of park and ride operations at both local community/station and sub regional levels.

5.7 This will not be achieved without EU and Government intervention. There is a clear case, on grounds of peripherality and community needs, to pump prime development as an incentive to greater private investment.

5.8 The WDA and other stakeholders have commissioned a study towards an integrated transport strategy for South West Wales looking particularly at rail transport. The results of this work will be of great interest to the Forum.

6. Ports

6.1 The proximity of all the ports in the region to the Trans European Road and Rail networks, their links to Wentloog, freight lines and dock connections, and their location relative to the Atlantic Sea Ports Plan, make them ideally placed to embrace European Commission's objectives for combined transport and intermodality.

6.2 The problem for the western ports is road access which is a major inhibition on their ability to compete in changing markets.

7. Air Transport

7.1 Air transport will, inevitably, be a smaller mover of people and freight, but infrastructure exists which could be developed at modest costs. There would be a great potential for transfer of journeys if deregulation and fifth freedom rights were to enable direct services from the regions to Europe and internationally. For example, it is estimated that over 5 million journeys are generated from London's Heathrow and Gatwick airports by passengers living within 1.25 hours travel time of Cardiff International Airport.

7.2 Third level services, oil industry, pollution control and other activities could be encouraged to intensify at regional airports.

8. Telecommunications

8.1 In a relatively remote region, there is little hope of growth if the disadvantage of remoteness is not counteracted by ICT. And, since other regions in the UK and Europe will take every advantage of ICT, South West Wales must get ahead of the game if it is to prosper. Two things are needed:

- a. a telecommunications infrastructure that is up to the highest industry standards at all times; and
- b. training and support to ensure that all businesses and communities are able to exploit the advantages that ICT offers.

8.2 Our understanding of the hard infrastructure position is incomplete. We are pursuing this issue as a matter of urgency.

8.3 We propose an ICT accessibility plan is proposed which will ensure full access, and interaction with all the region's businesses, local authorities, further and higher education establishments, schools, libraries and community facilities, and, as far as practicable, into private households.

8.4 We are investigating the feasibility of establishing four "digital zones" to spearhead the development of universal access, over the region.

8.5 We would like to put the region in a leading position by ensuring that, by the end of the Objective 1 programme period, throughout the region, we have:

- a. ICT infrastructure ahead of our immediate needs; and
- b. ICT usage in businesses and communities ahead of other regions in the UK

9. Energy

9.1 The regional deficit in the availability of gas and electricity is already having a damping effect upon economic activity. Comfort levels for existing users are lower than appropriate and a top priority for the region is to have this deficit addressed.

Electricity

9.2 The gradual decommissioning of the sole power station in Pembrokeshire leaves the region with an insecure supply of electrical power. The Combined Heat and Power plant at Baglan will only partially redress this deficit.

Gas

9.3 Although the gas pipelines in West Wales are of sufficient capacity to cater for "statutory" load growth, Transco accept that the system will not cope with the known major investment plans of several industrial users. Further development in Pembrokeshire is clearly inhibited by lack of additional capacity.

9.4 The issues of inadequate gas supply in South Wales was drawn to the attention of the Welsh Office in 1997 and in 1998 a study was commissioned to examine potential gas usage in the region and to assess the extent of infrastructure required. The report has not yet been received.

Waste to Energy

9.5 More direct support for "Waste to Energy" initiatives is needed, perhaps in the form of demonstration projects. One advanced project is the joint Bridgend/Neath Port Talbot Integrated Waste Scheme which has a "Waste to Energy" module that could form a regional demonstrator, with research and development potential finance support.

10. The Importance of Infrastructure in raising Regional GDP

10.1 If we are to raise the GDP of the region, we must compete successfully for investment with south east Wales and other regions of the UK, Europe and the world. We need better incentives for investment and business growth – sites, premises, workforce, skills, business support, investment aid, operating aid – than our competitors. This is what the Objective 1 programme should provide and, if it does, the GDP of West Wales & the Valleys will rise faster than that of the rest of Wales and regional convergence will follow.

10.2 We do not disagree with those in south east Wales who warn against attempting to direct investment to West Wales and the Valleys. Investment cannot be directed, it will seek the most favourable conditions. What we require are the resources and support to create the most favourable conditions for investment in south west Wales.

10.3 In this context, we would like to take this opportunity to reiterate our concerns over the commitment in *The National Economic Development Strategy* to reducing regional disparities in Wales.

10.4 The latest version of the NEDS that we have seen clearly downgrades this commitment by removing it as a clear objective of the strategy. It also retains GDP targets that patently will not achieve any convergence. In real terms they increase the disparity. Moreover, these targets are reiterated in the latest draft of the *West Wales and the Valleys Objective 1 SPD*. This is not acceptable to the Forum and we look to the South West Wales Regional Committee of the National Assembly to ensure that the reduction of regional disparities remains a prime objective of the national strategy and is reflected in the targets for growth.

MEMBERSHIP OF THE FORUM

Chair

Ian Spratling OBE CBI Wales; Hendy Consultancy

Vice-Chair

Cllr Noel Crowley Neath Port Talbot CBC; Leader.

Members

Cllr Mrs Meryl Gravell	Carmarthenshire County Council; Leader.
Bradley Roynon	Carmarthenshire County Council; Chief Executive.
John Morris	CBI Wales
Robert Palmer	CBI Wales
Roy Phelps	CBI Wales
Sheelagh Keyse	Employment Service Office for Wales; Director
Dilwyn Clement	Employment Service; District Manager
Keith Elliot	FFORWM; Principal, Swansea College
Ken Sawyers	Neath Port Talbot Borough Council
Cllr Maurice Hughes	Pembrokeshire County Council; Leader.
Bryn Parry-Jones	Pembrokeshire County Council; Chief Executive
Cllr Mike Hedges	Swansea City and County Council; Leader
Vivienne Sugar	Swansea City and Council; Chief Executive

Robin Williams	University of Wales Swansea; Vice-Chancellor
Jonathan Jones	Wales Tourist Board; Chief Executive
Jeff Pride	Wales Tourist Board; Development Director
Derek Gregory	Wales TUC; Regional Secretary, Unison
Roger James	Wales TUC; Regional Secretary, AEEU
David Rowe-Beddoe	Welsh Development Agency; Chairman
Brian Willott CB	Welsh Development Agency; Chief Executive
Philip James	West Wales Chamber of Commerce; President
Hilary Davies	West Wales Chamber of Commerce; Chief Executive
Carl Hadley OBE	West Wales TEC; Chairman
Chris Jones	West Wales TEC; West Wales TEC

Membership of the Infrastructure & Communications Working Group

Chair

Councillor Noel Crowley, Leader, Neath Port Talbot C B C

Secretary

Denys Morgan, Neath Port Talbot C B C

Members:

Representatives of:

Association of Train Operating Companies

Cardiff International Airport

Carmarthenshire County Council

CBI

Community Transport Association

Confederation of Passenger Transport

Ferry operators – Irish Ferries, Swansea Cork Ferries, Stena Sealink

Freight Transport Association

Neath Port Talbot County Borough Council

Pembrokeshire County Council

Ports – Associated British Ports, Milford Haven Port Authority

Railtrack

Swansea City & County Council

University of Wales Swansea
Wales TUC
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