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The Committee Clerk
Enterprise & Business Committee
National Assembly for Wales
Cardiff Bay
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Dear Sir

NATIONAL ASSEMBLY FOR WALES BUSINESS & ENTERPRISE COMMITTEE Inquiry into international connectivity through Welsh ports and airports

Pembrokeshire County Council welcomes the opportunity to make a submission to the Enterprise and Business Committee on this subject and thanks the Committee for permitting an extension for the submission of our evidence.

Pembrokeshire has two major ports, Fishguard in north Pembrokeshire, and Milford Haven, which includes berths and facilities along both the northern and southern shores of the Milford Haven waterway. Fishguard is owned and operated by Stena and is used as a terminal for Ro-Ro sailings to Rosslare in Ireland; there are plans to expand this port and develop an adjacent marina. Milford Haven is operated by the Milford Haven Port Authority and plays a crucial role in the Welsh and UK economies. In 2010 it handled 8.4% of UK port cargoes (circa 43 million tonnes) making it the third largest port in the UK. This is around five times the amount of the next largest Welsh port. Chiefly the port serves the energy industry around the Haven, specifically the Murco and Valero refineries, the SEM Logistics tank farm, and the two LNG re-gasification plants at South Hook and Waterston, but it is also important for the Pembroke Dock to Rosslare Ro-Ro ferry service operated by Irish Ferries and other marine operations.

The County Council's roles and responsibilities mean that the local authority has significant interest in the county's ports. These roles and responsibilities include land use planning (outside the National Park boundary), economic development, transport, port health, pollution control, noise abatement and emergency planning.

In addition, Pembrokeshire County Council wholly owns and operates the airport at Haverfordwest (Withybush). This airport is licensed for operations 24 hours a day. The nearest alternative airport able to operate day and night is Cardiff. Although no scheduled services operate from Haverfordwest Airport, the airport is used for charter flights including flights to Ireland and London City Airport. The airport is a significant asset for economic development and also contributes to the ports through, for example, providing air support for pollution control.



The remainder of this submission addresses the key issues identified by the Committee:

What role do the Welsh Government and local authorities play in facilitating the development of Welsh ports and airports?

All levels of government have key roles in setting the conditions for growth and prosperity nationally, regionally and locally. Welsh policies and programmes for economic development, land use planning, transport, skills and training all affect the ability of a port to grow and develop. These policies and programmes may not be directly associated with port or airport policy – for example an economic development programme to assist Welsh companies to export may indirectly be of benefit to ports handling increased export trade. Thus a supportive environment for businesses created by government, and in particular one that is also able to support ports and airports directly, will facilitate port development.

As ports policy is not presently a devolved matter, it is immensely important that Welsh Ministers engage with the UK Government to ensure that national policy properly recognises the interests and needs of Welsh ports as well as English ones. This is important because the largest English ports are different in nature to Welsh ports, handling as they do very large volumes of container traffic, something which is not a feature of Welsh port operations. Advocacy for the interests of Welsh ports at a UK and EU level is therefore critical.

The local authority role in assisting the development of ports is mainly in terms of its land use planning and transport functions, to ensure that ports have good local connectivity and space for their operations whilst balancing these needs against those of the local communities and environmental considerations.

What factors have contributed to the decline in business through Cardiff Airport?

Pembrokeshire County Council has no specific views on this question. However, ports and airports are only as useful as their connections to the markets they serve. It may well be the case that the issues we have highlighted to Government for many years regarding the poor transport links to west Wales are also at work to limit, and then reduce, the attractiveness of Cardiff Airport to its customers.

How effectively does Welsh Government policy, primarily in the areas of transport, economic development, and land use planning policy, support the development of Welsh ports and airports?

The effectiveness of Welsh Government policy with regard to the development of ports could be improved by adopting a more “joined-up”/“whole government” approach. For example, the effectiveness of ports is related to a number of factors, probably the most important being connectivity. The ease with which passengers and freight can access and egress the port and reach their final destinations will have a significant impact on the continued use of that port (or airport). Local government has responsibilities for local transport infrastructure, but only the Welsh Government can direct improvements to the trunk road system and influence national public transport (e.g. rail and long distance buses). It is essential therefore that local government and the Welsh Government must work in concert. The emphasis placed on the importance of developing east/west connectivity in Wales by the Minister for Local Government and Communities is particularly welcomed by this Authority and a priority we would wish to help Welsh Government to deliver.

How can the Welsh Government develop economic opportunities, for example from tourism, international trade, freight and, in the case of ports, opportunities including the energy and renewable energy industries? What role do ports and airports, particularly Cardiff Airport, play in the key sectors identified by the Welsh Government?

The development of the Atlantic Array in the Bristol Channel presents a significant economic opportunity for ports in south Wales and in particular Pembroke Dock. In addition, the suitability of Pembrokeshire's waters for tidal and wave energy devices helps to justify investment at Pembrokeshire ports to support this developing industry. Pembrokeshire's ports already attract a modest number of cruise ships but improved facilities for berthing and transfer of passengers ashore are considered essential. The Welsh Government should consider what support it would be able to offer both with regard to the obtaining of necessary consents and financially as these plans mature.

The important role of ports and airports should be reflected in the drafting of future European Structural Fund programmes so that those programmes are able to part finance investments that will aid the contribution of Welsh ports and airports to our economy.

The ability to move people and goods from one place to another is fundamental to trade. Ports and airports, along with the transport infrastructure to and from them, are therefore critical to economic development across all sectors.

How effective is Welsh transport infrastructure and interconnectivity in supporting the development of Welsh ports and airports?

In terms of highway, the port facilities on both sides of the Milford Haven waterway, and to Fishguard, are accessed in part by strategic trunk roads namely the A477 (south) and the A40/A4076 (north). In principle, these roads are part of the Trans-European Transport Network (TEN-T). However unlike the A55 in north Wales they are not priority TEN-T routes and constitute one of the lowest standard TEN-T routes in the UK. Significant investment has been made over recent years to improve these links, and further major schemes form part of WG's National Transport Plan. These are welcome developments and are supported by this Council. However we have for a number of years been putting forward the case for an even greater level of improvement, particularly in relation to major improvement of the A40 between St Clears and Haverfordwest. Such an improvement would be a significant boost to the supporting connectivity of Pembrokeshire's port and airport facilities and would match the significant investment that Ireland have made to develop the road infrastructure supporting the port of Rosslare.

To strengthen the links to and between the strategic trunk roads and port facilities, a number of local highway improvements have been identified. Some have already been completed. There is scope for further work to improve connectivity, particularly in and around Pembroke and on the distributor road network on the north shore of the Milford Haven waterway, such as the Bulford Road improvement, Waterston bypass and Blackbridge access. In Fishguard, the standard of the trunk road through the town remains the subject of a Welsh Government commitment to fund much needed improvements, not only to address safety related matters but also to assist with economic regeneration of the area.

For rail, some of the main energy sites on the north shore of the Milford Haven waterway already have railhead connections (for example the Murco plant) and there is the potential to develop rail freight as part of forthcoming strategic developments (e.g. the emerging proposals for a new deep water terminal at the Blackbridge site). The rail service to Fishguard has seen recent passenger service improvements in terms of additional trains, which is welcomed. A number of rail station improvements are

currently being planned (Goodwick, which is under construction, Milford Haven and Pembroke Dock). Rail is therefore emerging as an important area for development, with potentially strong links to support major port developments. However there remain gaps in rail provision, namely no rail connectivity with port facilities on the south shore of the Haven, and current lack of intermodal facilities to the port of Fishguard. It is also noted that increased rail usage from port related activity in Pembrokeshire is likely to have a knock-on effect to rail infrastructure in other parts of Wales, namely capacity, rolling stock and timetabling.

Given that ports and airports policy is a reserved matter, how effectively does the Welsh Government engage with the UK Government in the interests of Wales?

The distinction between ports policy (which is reserved to the UK Government) and economic development policy and transport policy (which are devolved) is difficult to understand. The blurred boundary was highlighted by the UK Government's decision to make funding available to English ports to help them meet the needs of offshore renewables, but not to Welsh ports. Whilst this doubt remains, the Welsh Government should be prepared to 'push the boundary' by supporting Welsh ports under its transport and economic development responsibilities where this is in Welsh interests. It should not hang back simply because ports policy has not been devolved.

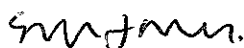
What impact do EU State Aid regulations have on the ability of the Welsh Government to provide support, and what opportunities are presented by EU ports and airports policy to support development in Wales?

The purpose of the State Aid regulations is to avoid the distortion of markets through the awarding of aid from state resources to subsidise economic activities. This is to the benefit of all, since it protects businesses and others engaged in economic activities from unfair competition, and it prevents government resources being squandered in trade wars with other states. The State Aid rules apply equally regardless of the legal status of the organisation receiving the aid; it would be an error to assume that public sector owned ports can receive greater public aid than private ones since this is not the case.

EU policy supports a move to more sustainable modes of transport. In relation to ports the EU is developing its "Motorways of the Sea" initiative to promote short sea shipping. Certain "Motorways of the Sea" routes have been proposed, one of which extends through St George's Channel and into the Irish Sea. Accompanying this is the Marco Polo programme, which is intended to move freight from road to more sustainable modes, primarily rail and short sea shipping.

In accordance with the Committee's wishes, a Welsh language version of this submission will be sent in the next few days. In the event of any discrepancy between the English and Welsh text, the English text should be taken as authoritative.

Yours sincerely



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Director of Development