
TIMBER TRANSPORT ISSUES IN WALES

Purpose

1. To update the National Committee on relevant Timber Transport issues in Wales and recent progress. To seek approval from the Committee to make a series of recommendations to the Wales Forest Business Partnership to ensure that timber transport does not become a barrier to the Woodland Strategy's strategic objective of Wales becoming 'a location for world-class forest industries'.

Background

2. In 2002 it was identified that public interest in timber transport had increased with the numerous incidents of timber haulage operations coming into conflict with Local Authority road requirements and the needs of communities. However to put this issue in context it is important to note that forestry areas in Wales are reasonably well accessed, compared to Scotland and even England. The majority of the issues in Wales are in the middle of the country and concentrated along the Cambrian Mountain spine.
3. However, pressures on the industry and on councils have been exacerbated by the increased interest in timber haulage issues arising from:
 - volume increases (Assembly woodlands up to 2002/03 and private sector more generally);
 - new areas coming into production;
 - new markets opening such as bio-fuel;
 - increasing road damage (made worse by reduced maintenance);
 - near miss incidents involving timber vehicles;
 - community expectations were raised by Assembly debates on measures to reduce the impact of heavy traffic on ALL roads;
 - public and private sector harvesting and haulage activities were NOT co-ordinated – time of day – or number of wagons.
4. These increasing problems led to FC Wales promoting the formation of a Timber Transport Group, as this approach was working well in Scotland. The Wales Timber Transport Group was formed in April 2002 (see Appendix 1 for membership and objectives). The Wales Timber Transport Group is a member of the Timber Transport Forum (see Appendix 2 for details) which provides an UK mechanism for sharing ideas and best practice.
5. The Timber Transport industry in Wales is characterised by having operators

who run small lorry fleets of between 1 and 4 vehicles. These small businesses are coming under increasing legal and financial pressures. The EU working time directive limiting driving hours, increasing Health and Safety issues and the requirement to provide specified training are adding to short-term costs and the long-term dividend from this investment is difficult for these small operators to realise. Fuel costs have also escalated, so they now contribute to over 40% of haulage costs.

6. The current situation for a number of these businesses is critical with insufficient drivers and escalating costs. This is leading to a loss of transport capacity, with some experts in the industry stating that if all the existing markets were to open up at the same time, there would be insufficient capacity to meet demand. This is without the predicted need for moving bio-fuel products.
7. In conclusion, the cost of haulage is leading to more timber in Wales becoming marginally economic to harvest.

Activity and Progress

8. The Timber Transport Group has:

- widened it's membership and improved communications between and within the industry and Local Authorities;
- commissioned and completed a Strategic Wales Forest Products Mapping Study (funded by FC, WDA and WAG transport department);
- transferred the FC production forecast information to all Local Authorities that will enable them to programme maintenance and road upgrading more effectively;
- supported the FC during the FMU (freight multiple unit) timber rail freight trial from Aberystwyth to Chirk;
- met with Local Authorities to discuss and resolve roading issues including the resolution of a problem in Powys that could have effectively land locked a number of woodland properties in active production;
- contributed to the Timber Transport Forum including presentations at conferences.

9. Other areas where there has been progress and some improvement include;

- FC and the industry have introduced logistics packages that seek to improve the loaded miles lorries run;
- there are trials underway mainly in Scotland to develop new forms of 'In-forest' transport to reduce public road mileage;

- the industry is exploring with Inland Revenue the option of using red diesel in forest lorries that can run for a limited mileage on public roads.

Conclusions and Next Steps

10. The Timber Transport Group has taken a number of significant steps since 2002 but progress must be made on the following issues if continuing problems are to be addressed:

- engage with all Local Authorities to establish closer links with the industry;
- encourage the industry to share harvesting plans and programme harvesting and haulage operations to reduce the impact on communities;
- encourage the industry to consult with communities
- establish a single contact point to deal with issues
- review opportunities and procedures, which identify and develop routes, which avoid communities
- the Group has no dedicated resource so relies on its membership to maintain progress. Consideration should be given to funding in partnership a Project Officer.

11. An Agreed Routes Map that indicates which public roads timber transport can access and where it should not, needs to be produced for Wales (there are good Scottish models). Currently there is insufficient resource in the FC Civil

Engineering Unit to take this necessary work forward.

12. WAG is about to start a consultation exercise that will culminate in a Wales Transport Strategy. It is important the forest industry informs that process. There is an opportunity to do this at the pre-consultation stage.

13. The Scottish Parliament has agreed a Strategic Timber Transport Fund that seeks to fund beneficial developments (see Appendix 3). Urgent consideration should be given to establishing a similar fund in Wales, possibly via the Wales Transport Strategy.

14. Continued support should be given to Rail Freight developments.

Financial Implications

15. Local Authorities have powers to limit the weight of lorries using public roads and if these were used extensively, the impact on the forest industry could be significant in terms of loss of revenue
16. Continued loss of transport capacity will have an adverse impact on industry growth.

Risks

17. Failure to make significant progress on the issues identified in this paper could have implications for the Woodland Strategy aspiration of Wales achieving status 'as a location for world-class forest industry'. A more detailed risk analysis can be found in Appendix 5.

Recommendations

18. The Committee is asked to support the Timber Transport Group opening discussions with the Wales Forest Business Partnership (WFBP) concerning the next steps identified and the possible hosting of a Project Officer to take issues forward (see Appendix 4 for job description).

Paul Sherrington
Chair of Wales Timber Transport Group
October 2005

Wales Timber Transport Group Objectives

- To provide a forum for discussion between timber growers, processors, hauliers, local authorities and communities which encourages the sharing of information.
- To work in partnership to avoid or resolve any timber transport issues that might arise in an area.
- To take forward the results and recommendations of the Wales Forest Products Transport Mapping Study 2004.
- To review the existing timber transport infrastructure and identify priorities for maintenance, upgrades and new investments.
- To collect and maintain information relating to current and future timber traffic in Wales.
- To inform and encourage best management practice for haulage operations.
- To promote the work of the group and disseminate information on timber transport related issues in Wales.
- To liaise with other Timber Transport Groups through the Timber Transport Forum

Wales Timber Transport Group Membership:

- CONFOR
- Forestry Commission Wales
- Forestry Contracting Association
- Forestry and Timber Association
- Local Hauliers
- Timber Transport Forum
- Unitary Authorities
 - Ceredigion
 - Denbighshire
 - Powys
- United Kingdom Forest Products Association
- Wales Assembly Government(Transport Division)
- Welsh Development Agency
- Wales Forest Business Partnership

Timber Transport Forum

The Forum's work is largely based in Scotland although in 2002 membership was expanded to include Northern England and Wales. TTF is managed by CONFOR and receives £71.2k financial support from; Scottish Enterprise (£25k), FCS (£17k), FCE (£7k), FCW (£9.2k), FIDC (£5k) and Highlands and Islands Enterprise (£8k) (Total - £71.2K). The Forum employs a full-time Project Officer.

The main objective of the Forum is to share information on topics of common concern and agree collaborative action through:

- facilitating communication between the Regional Timber Transport Groups;
- disseminating information about the work of Regional Timber Transport Groups and other timber transport initiatives;
- identifying international best practice and promoting innovative thinking;
- establishing working groups to address specific issues; and
- holding an annual meeting to review progress and plan future action (23/10/03).

Membership of the Timber Transport Forum

Project Manager, Timber Transport Forum

BSW Timber, Carlisle

CONFOR

Dumfries & Galloway Council, Society of Chief Officers of Transportation in Scotland (SCOTS), COSLA

Forestry Commission Scotland

Forestry Commission, Wales Timber Transport Group

Forestry Contracting Association

Forestry and Timber Association

Highland Council

John Millar Ltd (Transport)

John Scott Transport

Scottish Enterprise

Scottish Executive

United Kingdom Forest Producers Association

Yorkshire and Humber Transport Group

The Strategic Timber Transport Fund Background

The Deputy Minister for Environment and Rural Development met representatives of the forestry industry and COSLA on 8 January 2003 to discuss timber transport. The industry and COSLA put forward a proposal to establish a Strategic Timber Transport Fund. The Minister pointed out that although there was no financial provision for such a fund, he asked the Forestry Commission to help COSLA and the industry work up the idea and undertake a cost benefit analysis through the Timber Transport Forum.

Consultants, *Caledonian Economics*, worked up the 'Case for Change' on behalf of the TTF and the final draft was published in August 2003 this resulted in the successful SR04 spending bid (£3 million 04/05, £5 million 05/06, £5 million 06/07). Caledonian Economics have now been employed to work up the application criteria and approval process for the fund. We are aiming to have this available in February 2005.

The Strategic Timber Transport Fund Next Steps

It is proposed that applications should initially go to the Timber Transport Forum, from the Regional Groups, for comment and vetting. Assistance from TTF should help demonstrate objectivity and transparency in the approval process. Forestry Commission Scotland will give the final approval.

The general application criteria:

- Proposals should:
 - reduce the potential for damage to public roads;
 - reduce disruption to rural communities;
 - provide innovative long-term benefits and solutions;
 - demonstrate value for money;
 - demonstrate partnership working;
 - where possible provide additional rural benefit not just forest industry benefit (e.g. roads should be available for all HGV traffic).
- Proposals should not:
 - subsidise normal operations;
 - contravene state aid regulations;
 - subsidise public road maintenance and repair.
- The type of projects that might be eligible for the fund are:
 - the construction of "In-forest" road Links;
 - improved road mapping using G.I.S. technology;
 - strategic planning of timber haulage in specific locations e.g. National Parks;
 - projects that improve the use of technology.

WTTG Project Officer

Purpose of the Job

To provide professional and technical support to the group

Key Work Areas

1. Liaison

- establish contact with a wide range of stakeholders to promote the work of the group;
- collect and disseminate information on timber transport related issues in Wales;
- represent the interests of all sectors of the industry on timber transport issues
- co-ordinating project activity.

2. Management

- Managing the administrative arrangements for the group;
- drafting responses to freight transport related consultations;

3. Infra-structure issues.

- seek to establish a WAG Strategic Timber Transport Fund.
- provide a focal contact point for concerns regarding timber transport;
- seek sustainable solutions to identified problems;
- lead the production of an agreed routes map;
- Identify opportunities for timber transport by rail, inland and coastal shipping.

4. Location and reporting chain to be decided.

5. Funding

- Wales Forest Business Partnership
- FC
- WAG (transport division)