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# M4 Relief Road

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FSB Wales  
response to the  
Environment  
and  
Sustainability  
Committee

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18<sup>th</sup> October 2013

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## **M4 Relief Road**

### **The Federation of Small Businesses Wales**

The Federation of Small Businesses Wales welcomes the opportunity to present its views to Environment and Sustainability Committee on the M4 relief road proposals. FSB Wales is the authoritative voice of small businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees; FSB Wales is in constant contact with small businesses at a grassroots level. It undertakes a monthly online survey of its members as well as an annual membership survey on a wide range of issues and concerns facing small business.

### **Introduction**

FSB Wales agrees that there are acute problems in and around Newport as a result of congestion on the M4. However, FSB Wales does not believe the economic, environmental and affordability concerns around the proposed M4 relief road have been sufficiently balanced. This is particularly the case for the current consultation, to which FSB Wales is yet to submit a full response. Wider consideration of the costs is needed to allow for further consideration of the infrastructure investment options that are available, including public transport measures such as the South East Wales Metro.

### **Borrowing powers and the Silk Commission**

FSB Wales has taken an active interest in proposals for dealing with capacity issues on the M4 in and around Newport. FSB Wales has sought to make its position clear in relation to the proposed M4 relief road as well as the recommendations of part one the Commission on Devolution in Wales and proposals for the devolution of toll income to the Welsh Government.

As a result of this ongoing engagement FSB Wales has written to both the Secretary of State for Wales and the First Minister to clarify its position and to seek a speedy resolution to the question of fiscal devolution (both letters are attached). This included three main points that were as follows:

- The level of tolls levied on vehicles using either of the Severn Crossings should decrease at the earliest opportunity in order to remove a barrier to cross border trade and economic growth. Future toll revenue is an insufficient and unreliable source upon which to predicate borrowing for infrastructure;
- FSB Wales accepts the need to maintain tolls to fund the maintenance of the Crossings but that any future tolls should be limited solely to covering the costs of maintenance and specifically those costs directly associated with maintaining the Severn crossings and not the ordinary costs associated with maintaining the highways. We also point out that we are currently of the opinion that the management of the tolls should be devolved to Wales;
- The UK Government's delay in responding to the first part of the Commission on Devolution in Wales is in our opinion causing uncertainty and having a negative impact on the Welsh economy.



## Affordability of a relief road

During the previous consultation on improving capacity in and around Newport, FSB Wales favoured option C which included a number of measures around the A48 to the south of Newport as well as associated public transport measures. This would cost an estimated £300m according to the Welsh Government consultation and would alleviate many of the problems of resilience and capacity<sup>1</sup>.

The Commission on Devolution in Wales has created the possibility of the Welsh Government accessing borrowing powers of roughly £1.3bn as a result of fiscal devolution to Wales<sup>2</sup>. This has caused the Welsh Government to re-examine the potential for an M4 relief road to the south of Newport as an additional alternative. Research carried out by Arup on behalf of the Welsh Government has estimated that the three options provided in the current consultation would cost between £830m and £947m to implement<sup>3</sup>. Many observers have estimated that this cost could rise significantly.

FSB Wales believes that given the significant environmental impact the full relief road would cause, there would likely be costly challenges to the implementation of the proposed development. This is reinforced in the previous Welsh Government consultation that stated:

*“Challenge from public and/or stakeholders who may oppose the scheme on grounds of likely environmental impact may also require consideration.”<sup>4</sup>*

Furthermore, FSB Wales is firmly of the view that focusing a significant proportion of spending on a narrow section of motorway in South East Wales is not an equitable use of resources. Rather, the Welsh Government should look to fund significant projects across Wales, such as improvements to the A55, the implementation of the South East Wales Metro and the potential electrification of the North Wales Main Line.

It is disappointing to see that the current consultation includes no information about the costs of the three proposed relief roads. This is available in the supporting documentation but is not being put in context during the public consultation. FSB Wales believes this undermines the consultation process.

Furthermore, there are clearly a number of alternatives such as the development of the A48 SDR and the South East Wales Metro that are not part of the consultation process. FSB Wales believes

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<sup>1</sup> Welsh Government. 2012. *M4 Corridor Enhancement Measures Magor to Castleton (M4 CEM): Easing The Flow* [online]. Available at:

<http://www.m4cem.com/downloads/reports/to%20email%20Consultation%20Document%20REV%20B%20-%20E.pdf> (accessed 16<sup>th</sup> October 2013). P.42.

<sup>2</sup> Commission on Devolution in Wales. 2012. *Empowerment and Responsibility: Financial Powers to Strengthen Wales* [Online]. Available at:

<http://commissionondevolutioninwales.independent.gov.uk/files/2013/01/English-WEB-main-report1.pdf> (accessed 16th October 2013). P.115.

<sup>3</sup> Welsh Government. 2013. *M4 Corridor Around Newport: WelTAG Appraisal Report Stage 1 (Strategy Level)* [Online]. Available at: [http://www.m4newport.com/assets/issue-m4-corridor-around-newport-weltag-appraisal-report-stage-1-\(strategy-level\).pdf](http://www.m4newport.com/assets/issue-m4-corridor-around-newport-weltag-appraisal-report-stage-1-(strategy-level).pdf) (accessed 16<sup>th</sup> October 2013). P.41.

<sup>4</sup> Welsh Government. 2012. *M4 Corridor Enhancement Measures (M4 CEM): WelTAG Appraisal Report Stage 1 (strategy level)* [Online]. Available at: <http://www.m4newport.com/assets/issue-m4-weltag-stage-1-appraisal-report-march-2013-signed.pdf> (accessed 16th October 2013). P.61-62



this is a mistake and does not allow for the consideration of the full menu of options available to the Welsh Government.

### **Environmental Impact**

The consultation issued by the Welsh Government during March and July 2012 contained an analysis of the environmental impact of the four options then presented. Clearly, option A (a new relief road to the south of Newport) offered the biggest economic advantage but also provided the most serious threat to the environment and at the highest cost in terms of capital investment<sup>5</sup>.

FSB Wales believes that pursuing improvements to the A48 whilst also improving public transport in the areas would be a more reasonable option. This is particularly pertinent given that the current consultation identifies 43 per cent of journeys being less than 20 miles i.e. local traffic. The economic benefit of the A48 approach would still be significant, but the environmental and cost concerns would be far more limited. Furthermore, practical measures could be put in place far sooner for its delivery.

### **Conclusion**

FSB Wales agrees that there are acute issues of capacity on the M4 in and around Newport. However, initial observations suggest the environmental, economic and affordability aspects of the proposals for a relief road south of Newport are not sufficiently balanced. The Welsh Government has failed to examine wider options such as electrification and improvements to the A48 as part of the consultation. Furthermore, the omission of cost implications in the public consultation undermines its credibility.

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<sup>5</sup> *Ibid.* P.57.

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**The Federation of Small Businesses**

The FSB is non-profit making and non-party political. The Federation of Small Businesses is the UK's **largest campaigning pressure group** promoting and protecting the interests of the self-employed and owners of small firms. Formed in 1974, it now has **200,000 members across 33 regions and 194 branches**.

**Lobbying**

Our lobbying arm - led by the Westminster Press and Parliamentary office - applies pressure on MPs, Government and Whitehall and puts the FSB viewpoint over to the media. The FSB also has Press and Parliamentary Offices in Glasgow, Cardiff and Belfast to lobby the devolved assemblies. Development Managers work alongside members in our regions to further FSB influence at a regional level.

**Member Benefits**

In addition, Member Services is committed to delivering a wide range of high quality, good value business services to members of the FSB. These services will be subject to continuing review and will represent a positive enhancement to the benefit of membership of the Leading Business Organisation in the UK.

**Vision**

A community that recognises, values and adequately rewards the endeavours of those who are self employed and small business owners within the UK

The Federation of Small Businesses is the trading name of the National Federation of Self Employed and Small Businesses Limited. Our registered office is Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE. Our company number is 1263540 and our Data Protection Act registration number is Z7356876. We are a non-profit making organisation and we have registered with the Information Commissioner on a voluntary basis.

**Associate Companies**

We have two associated companies, FSB (Member Services) Limited (company number 02875304 and Data Protection Act registration number Z7356601) and NFSE Sales Limited (company number 01222258 and Data Protection Act registration number Z7315310).