

STATEMENT BY THE WELSH GOVERNMENT

TITLE **The M4 Corridor around Newport**

DATE **4th June 2019**

BY **Mark Drakeford AM, First Minister**

Llywydd, following my written statement to members earlier today, and publication of the report of the Public Inquiry into the M4 Corridor around Newport, I can now set out further details in relation to my decision on the proposed M4 relief road, and the next steps to alleviate traffic congestion on the current M4.

Since late February, I have carefully considered the report and recommendations of the Public Inquiry into the M4 Corridor around Newport. As Members will be aware, the report is a very substantial document, reflecting the work undertaken by the Inspector between February 2017 and September 2018, and the many hundreds of written submissions to the Inquiry. The decision as to whether to make the Schemes and Orders which are necessary for the Project to be implemented falls solely to me as First Minister.

My decision has to reflect the context within which it is made. We are still deep into the longest and deepest period of austerity in any of our lifetimes. It has seen our capital budgets cut considerably since 2010. My Ministerial colleagues and I grapple every day with balancing the financial implications of our government investment priorities.

The Cabinet met at the end of April to discuss the overall financial situation facing the Welsh Government, and the capital spending needs of the coming years across all portfolios, in order to give careful consideration to our forward capital programme. Cabinet concluded that the significant level of expenditure needed to deliver the M4 Project would have an unacceptable impact on our other priorities in areas such as public transport, health, education, and housing.

It did so, as I said, by placing those capital investment decisions in the wider financial context faced by the Welsh Government.

Llywydd, this decision is being made at the point of maximum uncertainty about our financial future. Unprecedented austerity in the public finances is combined with a complete lack of clarity over our capital budgets for the coming years, and is exacerbated by the uncertainty surrounding Brexit. While the UK Government's lack

of progress on their Comprehensive Spending Review process could see the Welsh Government's budget even lower than it is now.

This financial position has significant and specific implications for the exercise of my powers to make the necessary compulsory purchase orders, or CPOs, for the Project to proceed. In this regard, before deciding to make CPOs, I am required to be satisfied that there is compelling need for the Orders, in the public interest, which justifies interference with the human rights of those with an interest in the land required for the project. I must be satisfied that the necessary resources to carry out the project would be available within a reasonable time scale, and that the project is unlikely to be blocked by any impediment to its implementation.

Llywydd, I have concluded that the financial position means that I cannot be satisfied that I can lawfully exercise my CPO powers in relation to the Project, because I am not satisfied that the Project can be implemented within the foreseeable future, given the prolonged period of uncertainty we face.

In light of this conclusion, it is unnecessary for me to go on to consider whether the advantages of the Project outweigh its disadvantages and whether I agree with the Inspector's overall conclusions as to where the balance lies between the two. Nevertheless, I have proceeded as the Inspector did, by addressing – as he says in paragraph 8.481 of the report – the 'strong and competing interests' at play and the 'question of where the balance between them should be'.

I have therefore considered the advantages and disadvantages identified by the Inspector, and I have concluded that even without Cabinet's position on funding, and even if, on those grounds, it was likely that the Project would be implemented, I would in any event have decided not to make the Schemes and Orders.

I recognise the Inspector's conclusions as to the advantages and disadvantages of the Project. However, I attach greater weight than the Inspector to the adverse impacts that the Project would have on the environment. In particular, I attach very significant weight to the fact that the Project would have a substantial adverse impact on the Gwent Levels SSSIs and their reed network and wildlife, and on other species, and a permanent adverse impact on the historic landscape of the Gwent Levels.

As a result, in my judgement the Project's adverse impacts on the environment (taken together with its other disadvantages) outweigh its advantages. In weighing up the Inspector's 'strong competing interests', my judgement as to where the balance between those competing interests lies differs from his.

For these additional reasons, separate to those on the grounds of funding, I do not consider that there is a compelling case in the public interest to expropriate the land that is subject to the CPOs and I do not consider that it would be appropriate or expedient to make the other Schemes and Orders.

Just as my decision has had to take into account the latest, and changed, financial context facing the Welsh Government, so too, future solutions to the congestion

issues on the M4 around Newport must reflect the most recent environmental circumstances we face as a nation.

Two significant recent reports have highlighted different aspects of these challenges. The first is the UKCCC 'Net Zero' report on climate change, recommending a new 95% target for emissions reduction in Wales by 2050. In response, the Welsh Government, recognising the scale and urgency of the threat, declared a climate emergency.

Secondly, last month the UN published its Global Assessment on Biodiversity, which set out the scale of the impact that human activity and development is having on species, and the threat that further development is likely to pose to ecosystems across the world. Those findings apply equally here in Wales.

Llywydd, I acknowledge there are strong views on both sides of the debate in relation to this Project. There is also a consensus – which I share – that the issues of capacity, resilience and environment at the M4 corridor around Newport need to be addressed with a mix of both local and regional solutions.

In light of the funding constraints and environmental impacts which have led to my decision on the Orders, it is important that these issues are now addressed collaboratively, and that voices on all sides of the debate have the chance to shape the way forward together.

It is in this context, therefore, that I can announce a new expert Commission will be appointed, charged with reviewing the evidence and making recommendations to the Welsh Government on alternative solutions, including innovative technologies, to address the current issues.

The Commission will be guided by our overarching ambition to develop a high quality, multi-modal, integrated and low carbon transport system, and in the context of the major challenges of climate change and biodiversity that I have just mentioned.

The Commission will be drawn from a spectrum of expertise, and be supported in its work by a dedicated team within the Welsh Government.

The Minister for Economy and Transport will make further announcements on the Commission, including timescales, shortly.

In advance of the Commission's work, the Minister will implement a series of fast-tracked, targeted interventions to alleviate congestion on the M4 in South Wales, for example, actions to expedite recovery of vehicles, enhanced Traffic Officer patrol, live journey time information to inform better transport choices, and a behavioural campaign to reduce incidents and maximise use of existing lane capacity.

Llywydd, transport is an area where this Welsh Government has a bold and ambitious plan for the future. From the £5bn plan we have developed through Transport for Wales for the new rail franchise and Metro, to major legislation to

improve bus services, to the biggest investment in Active Travel ever seen in Wales, there are exciting things going on right across Wales.

Resolving the congestion issues around the M4 is an important part of those plans, but there are no easy answers. We are committed to taking an inclusive and collaborative approach to finding innovative, affordable and sustainable solutions, in the shortest possible timescale, and we look forward to working with Members across the chamber to achieve that ambition.