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Llywodraeth Cymru
Welsh Government

Your ref
Our ref: MA-LW-1678-22

Chair
Climate Change and Environment Infrastructure Committee
SeneddClimate@senedd.wales

22 June 2022

Dear Chair,

I'm writing to draw your attention to the subordinate legislation, which was laid before the Senedd yesterday, 21 June. If passed by the Senedd, it will introduce a default urban speed limit of 20mph throughout Wales in 2023. I have attached links to the legislation and the associated Regulatory Impact Assessment (RIA) and Explanatory Memorandum online below.

[Senedd Laid Documents](#)

I also wanted to set out some further matters which have been taken into account when considering the economic dis-benefits detailed in the RIA.

The assessment of introducing a Wales-wide default 20 mph speed limit must be considered in the context of the multi-decadal professional debate over the valuation of journey time savings. Although there are technical aspects of this debate, in the context of Welsh Government priorities to address climate change and achieve mode shift away from private vehicles to more sustainable modes of travel, the fundamental issue is that traveller time savings may either support or undermine those Welsh Government priorities, depending on who the time savings accrue to.

If drivers save time, this can increase car use and with it more vehicle mileage, carbon, pollution, congestion road danger and ill-health from sedentary lifestyles. This runs contrary to top-level Welsh Government objectives for climate, modal shift, air quality and social well-being. Under these circumstances it would be perverse to consider these time savings as a benefit without fully accounting for these disbenefits, many of which are not amenable to full quantification.

Conversely, if public transport users, walkers or cyclists save time, this tends to reduce vehicle use and concomitant carbon emissions, toxic air pollution, congestion and accidents whilst at the same time improving e health through more active travel. In these cases, where the time savings support Welsh Government top-line objectives, the time savings benefits are supplemented by these wider benefits, which again cannot be fully quantified.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Furthermore, as noted above, academic debate has exposed uncertainty about the value that should be attached to small time savings, particularly where these small time savings accrue to leisure journeys of short duration in uncongested conditions. Some have argued that in such circumstances the value could be very low or even zero (indeed, in congested conditions, the proposed reduction in speed limits could in fact have little or no impact on journey times). On the other hand, the RIA shows that the aggregate benefit from the policy will be positive in respect of accident reductions and the associated health benefits.

This uncertainty is one of the reasons Welsh Transport Appraisal Guidance (WeITAG) is under revision and has been re-drafted to require the elements of value-for-money assessments that derive from journey time changes to be shown separately, so that decision-makers can take a view as to the relevance and validity of the journey-time element. The RIA of the nationwide default 20 mph policy has followed this guidance and shows that, excluding journey time savings, the 20mph policy provides an NPV of £1.9 million.

Furthermore, recent revision of the UK Treasury Green Book has recognised that in order for expenditure on policies and projects to be value-for-money, it must support government aims and objectives. As a result of this revision, the Welsh Government Chief Economist has issued an advisory note 'Aligning the Green Book with Welsh Government Values: Transport', which states that: 'A project can only be shown to deliver value for money if it is consistent with the Welsh Government's strategic objectives and values.'

Our assessment is that, in consideration of a Welsh Government policy that seeks to prevent vehicles travelling fast down residential roads for reasons ranging across climate change, modal shift, road safety and public health, a balanced judgement is needed. This should take account of the uncertainty about the value of small time savings on short journeys and of the wide range of benefits associated with reducing vehicle speeds, many of which it has not been possible to fully quantify.

On this basis, Ministers judge that the benefits of the policy will outweigh the costs and disbenefits.

Yours sincerely



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