



Arbenigwyr mewn Busnes
Experts in Business

23 April 2018

Dear Russell

FSB Wales is pleased to provide evidence to the Economy, Infrastructure and Skills Committee on the state of roads in Wales. As you will be aware, FSB Wales has published extensively on transport in Wales in recent years and this response is a synthesis of some of that work¹, taking into account some more recent developments in the area and work undertaken by colleagues elsewhere in the UK.

FSB Wales is the authoritative voice of businesses in Wales, with around 10,000 members. It campaigns for a better social, political and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

We have responded to the three points in the terms of reference in turn.

The current condition of roads in Wales and whether the approach to funding and delivery of maintenance programmes for the local road, trunk road and motorway network in Wales is effective, managed so as to minimise disruption to road users, and provides value for money;

FSB Wales draws a distinction between travel to work (i.e. commuting) and travel for work (travel for business purposes). We feel it is legitimate to target reducing commuter traffic in order to ease congestion for essential business travel. This might be done by increasing investment in public transport or by removing bottlenecks on the existing road network.

When questioned, our members frequently complain that the state of the roads is getting worse, and that congestion is hampering their business – anecdotally this is one of the most common complaints we hear from our members, and survey data suggests it is a problem across both rural and urban communities².

Most businesses in Wales rely primarily on road transport – with 80% of members identifying car transport as “crucial” to their business in 2014³. In this survey a distinction was not made between commuting/essential business travel, but it is clear that Welsh business are relying on the roads to get employees, customers and goods.

¹ FSB Wales has published a general paper on Transport by Professor Stuart Cole, a paper on the Metro by Dr Mark Lang; alongside a number of consultation responses to public bodies that are relevant in this area.

² FSB (2016) [Going the extra mile: connecting businesses and rural communities](#)

³ Cole, Stuart (2016) [Moving Wales Forward](#)



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When questioned, most businesses' priority for investment is in transport infrastructure. 70% identify investment in road infrastructure as their main priority for transport spend⁴. More recently, members in Cardiff and South East Wales identify congestion as their main issue in the city/capital region⁵.

Over 60% of members said that roadworks, congestion and the state of repair of roads was having a negative impact on their business in 2014. This is second only to fuel costs as the primary negative impact of transport on member businesses⁶.

Rural small businesses also report that potholes and frequent road works cause issues for their business, with 32% of business owners citing "potholes" as their main issue with roads in 2016. Similarly, 31% stated that frequent road works were their main issue⁷.

In this survey, whilst road works were viewed a necessary step to maintain the quality of the road network. The dissatisfaction with road works comes if works are not adequately advertised, causing disruption and confusion to businesses. Other business owners suggested that their frustration was driven by their perception that the quality of road repairs was often poor, necessitating costly and disruptive rework and causing more disruption.

The 2016 survey also suggested that congestion and the state of repair of local roads, as opposed to the strategic/trunk road network was of a more significant concern for business. Importantly, these roads are under the stewardship of Local Authorities, rather than direct control of Welsh Government.

In terms of nature of impact, most say that it is felt in terms of increased costs (or conversely, reduced profits)⁸ for their business. Poor roads are costing Welsh business, and hence the Welsh economy money.

Whether major enhancement projects on the local road, trunk road and motorway network are prioritised, funded, planned and delivered effectively, and provide value for money. Relevant issues include the implementation of the Early Contractor Involvement approach and the opportunities offered by the Welsh Government's Mutual Investment Model;

⁴ Ibid.

⁵ FSB Wales member survey 2018.

⁶ Ibid.

⁷ FSB (2016) [Going the extra mile: connecting businesses and rural communities](#)

⁸ Ibid



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Welsh Transport Appraisal Guidance (WeITAG) was substantially revised in 2017⁹, and is therefore largely untested. As far as we are aware there is only one project that has been taken forward under the new methodology - that is the proposed M4 J34 – a48 link road which is in the early stages of consultation¹⁰. We can't therefore comment on the efficacy of WeITAG, however we are pleased that new approaches have been embedded in the guidance, including approaches to considering public transport options over pure road solutions. However guidance still appears to rely too heavily on predictive traffic forecasts, evidence suggests that this has led to some poor investment choices in recent decades¹¹.

FSB Wales has not always been convinced that value for money from proposed investments has been clear. This is true either in terms of identifying the problems, or in terms of delivering benefits to Wales in general. For example on the M4 relief road, FSB Wales' objection has always been that it benefits a small area of Wales at relatively high cost, whilst effectively proscribing investment elsewhere in Wales. Available data shows that congestion from Margam to Swansea has a similar scale of impact¹², however no solution is currently proposed. Furthermore, our concern in the M4 relief road process was that the impact of other interventions, for instance the metro, were not properly taken into account.

Moving forward, FSB Wales considers that the National Infrastructure Commission (NICW) should have a key role in the prioritising, funding, planning and delivery of road investment and enhancement, and should also consider whether Welsh Government should invest in order to improve/maintain local roads, currently under the stewardship of Local Authorities. This is in line with best practice elsewhere; for example, Infrastructure Australia considers how existing infrastructure can be better utilised and enhanced¹³. NICW should also undertake "feasibility of delivery/implementation" studies, in line with recommendations made by the Institute for Government¹⁴.

In terms of our member's interaction with the operational side of the delivery of roads infrastructure delivery in Wales, we are pleased Welsh Government has recently begun to utilise project bank accounts. This helps protect small contractors from unethical actions by larger contractors, or from unexpected supply chain shocks.

⁹ Welsh Government (2017) [Welsh Transport Appraisal Guidance](#)

¹⁰ Vale of Glamorgan County Council (2018) [Consultation on proposed routes for a new road between junction 34 of the M4 and the Sycamore Cross junction of the A48](#)

¹¹ Cole, Stuart (2016)

¹² Inrix Data, 2017. Total impacts of congestion from junctions 38-42 M4 are significantly higher than impacts around junctions 23 & 23A, or at junctions 28-30. See: <https://www.walesonline.co.uk/news/wales-news/worst-parts-m4-traffic-jams-13819119>

¹³ Infrastructure Australia (2016) [Australian Infrastructure Plan Priorities and reforms for our nation's future.](#)

¹⁴ Institute for Government (2015) [Making the National Infrastructure Commission Work](#)



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Whether Wales is adopting a sustainable approach to the maintenance and enhancement of its road network in the context of key legislation such as the Well-being of Future Generations (Wales) Act 2015 and the Active Travel (Wales) Act 2013.

It must be clearer that in bringing forward new road projects, or in taking forward maintenance and enhancement that public agencies have used the “five ways of working” embedded in the Future Generations Act.

This should mean that the business community and wider stakeholders are consulted in the early stages of project conception and open and frank conversations about impacts and benefits can be had before fully formed projects are proposed.

This can apply to projects of all scales, from the very smallest street level improvements through to proposals for the construction of new roads in Wales. For example, FSB Wales first became aware of proposals for the M4 J34 – A48 link road from the pages of the Western Mail.

I hope our comments are of interest as the committee considers this important issue.

Yours sincerely

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