

Adran yr Economi a'r Seilwaith
Department for Economy and Infrastructure



Objection Ref OBJ0270-1

File Ref WG/REB/OBJ0270.1 - Marsden

Llywodraeth Cymru
Welsh Government

Response to Objector's Evidence: Professor Terry Marsden

(Gwent Wildlife Trust)

1. GROUNDS FOR OBJECTION

1.1. Details

1.1.1. Professor Terry Marsden has submitted a Statement of Evidence dated February 2017 in relation to the draft statutory Orders associated with the Welsh Government's proposals for the M4 Corridor around Newport, which has been received via the Programme Officer.

1.1.2. The Welsh Government understands the evidence submitted within Terry Marsden's Statement to be based on the following:

1. States that Wales has a leading position in developing environmental and sustainable development policy through the enactment of the Future Generations (Wales) Act 2015 and climate emissions and change obligations associated with the PARIS COP21 process. Concerned that the M4 is a legacy proposal conceived when carbonised solutions held legitimacy.
2. Considers that on the grounds of public financial efficiency the M4 proposal is no longer 'fit for purpose'.
3. Considers that much of the evidence and policy direction in Europe is now pointing in the direction of integrated transport systems to encourage modal shifts. Considers that road building does the opposite, it concentrates functions in particular places and then exacerbates the traffic needed between them such that they can prosper. Considers that there is a priority to invest public funding in more distributed ways which will benefit wider (non-mobile) parts of the population, increasing access and, indeed reducing congestion by improved traffic planning and modal shift.
4. Considers that Wales should pursue a more 'distributed' economic model as opposed to a concentrated economy. Hence the M4CaN needs to be seen as part of an outdated spatial economic model.

2. REBUTTAL

2.1. Points Raised

2.1.1. Some of the above points have already been addressed in proofs of evidence. Others are dealt with by topic by the relevant witness in the following sections, in addition to their general proofs of evidence, to which readers should also make reference in their entirety for a full understanding of the Welsh Government's case. For ease of reference the places where the above points are addressed in this Rebuttal are listed in the table below:

Objector's point reference	Rebuttal paragraph reference	Objector's point reference	Rebuttal paragraph reference
1	2.2.1	3	2.1.2
2	2.3.1	4	2.4.1

2.1.2. The Objector's points that have already been covered in proofs of evidence are as follows:

1. **Point 3** (Considers that much of the evidence and policy direction in Europe is now pointing in the direction of integrated transport systems to encourage modal shifts. Considers that road building does the opposite, it concentrates functions in particular places and then exacerbates the traffic needed between them such that they can prosper. Considers that there is a priority to invest public funding in more distributed ways which will benefit wider (non-mobile) parts of the population, increasing access and, indeed reducing congestion by improved traffic planning and modal shift.) / Proof of Evidence of Matthew Jones, WG1.1.1 section 3 "Background" and section 9 "Public Transport and the Metro".

2.1.3. The other points are responded to by specialist topic in turn in the sections following.

2.2. John Davies (Sustainable Development)

2.2.1. Response to **Point 1** (States that Wales has a leading position in developing environmental and sustainable development policy through the enactment of the Future Generations (Wales) Act 2015 and climate emissions and change obligations associated with the PARIS COP21 process. Concerned that the M4 is a legacy proposal conceived when carbonised solutions held legitimacy):

1. Paragraphs 26-44 of my proof of evidence (WG1.23.1) deal with the sustainable development principle as set out in the Well-being of Future Generations Act 2015 (WFG Act). Paragraphs 49-55 deal with greenhouse gas emissions and the duty on Welsh Ministers under Part 2 of the Environment (Wales) Act 2016; the Scheme would be carbon neutral in operation.
2. There is no basis for claiming that the Scheme is a legacy proposal; it is the appropriate solution to the current problems of the M4 around Newport. It should not be seen in isolation but as part of a package of measures that include public transport improvements, designed to produce a comprehensive and integrated answer to the transport problems faced by people living and working in south east Wales.

2.2.2. Response to Point 3 (Considers that much of the evidence and policy direction in Europe is now pointing in the direction of integrated transport systems to encourage modal shifts. Considers that road building does the opposite, it concentrates functions in particular places and then exacerbates the traffic needed between them such that they can prosper. Considers that there is a priority to invest public funding in more distributed ways which will benefit wider (non-mobile) parts of the population, increasing access and, indeed reducing congestion by improved traffic planning and modal shift.)

1. The Scheme would be part of an integrated transport network in south-east Wales as it would provide better access to the Severn Tunnel Railway Station and hence the national rail network. The Glan Llyn junction would provide access to the proposed Llanwern Park and Ride facility and the proposed Metro station. By improving access to alternative modes the Scheme would make travel by means other than the car more attractive, hence encouraging modal shift.

2. With regard to the concentration of functions, this is encouraged by the Welsh Government's planning policies as a means of reducing the need to travel. Other actions being taken by the Welsh Government to reduce the need to travel include the promotion of broadband coverage throughout Wales to encourage home working and reduce work-based travel. A more distributed economy would appear to be contrary to national planning policy and could arguably increase the need to travel. I note that Professor Lorraine Whitmarsh argues in paragraph 6 of her proof of evidence in support of the Gwent Wildlife Trust that low-density and dispersed forms of development contribute to widespread perceptions of limited (or unattractive) alternatives to driving.
 3. It is a fallacy that the Scheme would not benefit the wider population who do not have access to a car. Motorways are an integral part of modern society. Buses use the motorway network. Congestion on the M4 causes problems on the local road network in Newport, delaying public transport and on occasions affecting the movement of emergency vehicles within the City. By avoiding such problems the Scheme can help improve public transport within the City and an efficient bus service is a pre-requisite for modal shift to occur.
 4. An efficient, resilient motorway network is essential for the movement of goods and people, and the delivery of services. The Scheme is necessary to address a current problem that requires action today in accordance with the sustainable development principle of the WFG Act to prevent the situation getting worse and leaving it for future generations. The Welsh Government is taking other action and implementing other policies, in parallel, to ensure that its actions as a whole contribute to the achievement of its well-being objectives and the WFG Act goals.
- 2.2.3. I confirm that the statement of truth and professional obligations to the inquiry from my main proof still applies.

2.3. Matthew Jones (General)

2.3.1. Response to **Point 2** (Considers that on the grounds of public financial efficiency the M4 proposal is no longer 'fit for purpose'):

1. The economic appraisal of the Scheme compares the cost of investment with the benefits that the Scheme is expected to deliver. This indicates that the scheme provides value for money. When Wider Impacts are included in the assessment, the Scheme shows a Benefit-Cost Ratio of over 2 to 1. In other words, the benefits of the Scheme outweigh its costs by a ratio of over 2 to 1.

2.3.2. I confirm that the statement of truth and professional obligations to the inquiry from my main proof still applies.

2.4. Stephen Bussell (Economics)

2.4.1. **Point 4** - Professor Marsden's view is that Wales should move to a more 'distributed' economy rather than a concentrated economy which places a strong priority in reducing journey times and spatial differences in access to travel and basic facilities. He claims that road building concentrates functions in particular places and exacerbates the traffic needed between them such that they can prosper.

1. Professor Marsden's evidence suggests a degree of control over the spatial distribution of economic activity which appears to me to be unrealistic. There are many sectors of the economy which place high importance on access to the motorway network in order to function successfully because of the need to move goods over long distances. Other functions are most successful when located in urban areas where they can take advantage of knowledge spillovers, access to a wide pool of labour and operate as part of clusters of activity. This is the basis for agglomeration economies which are an important source of the productivity benefits of the M4CaN Scheme. The transport network facilitates agglomeration effects and the growth of urban areas, but the ultimate driver of the spatial distribution of economic activity is firms seeking to reduce costs and maximise productivity.
2. Even if the Welsh Government were able to pursue a 'distributed' economic model, it should be acknowledged that there would be an

economic cost to such an approach. There is strong evidence that larger cities and more concentrated economic activity is associated with higher levels of productivity. Equally, a more distributed model would be associated with lower levels of productivity. Firms which place a value on access to a large pool of labour or access to the motorway network will respond to a poorly functioning transport network by choosing to locate somewhere else. These activities may be replaced by other, more distributed, functions. However, the net result would be lower levels of investment, lower levels of productivity and lower wages.

3. Facilitating investment in the urban areas along the M4 Corridor does not necessarily mean that economic outcomes are concentrated in these areas and not distributed more widely. Areas of South Wales are already highly connected and interdependent. This is demonstrated by existing commuting patterns (2011 Census) which show that 40% of jobs located in Newport are filled by those resident outside of the City. In this context, the whole of South Wales is dependent on the economic performance of the urban areas along the M4 corridor. This, in essence, is the basis for the city-region agenda which is shaping economic development policy in South Wales..
4. I confirm that the statement of truth and professional obligations to the inquiry from my main proof still applies.