



Federation of Small Businesses in Wales

Response to the Welsh Assembly Government's Consultation on the Wales Transport Strategy

Introduction

1. The Federation of Small Businesses (FSB) is the UK's largest business organisation with over 195,000 members. Some 9,500 of that number are located in Wales making the FSB the largest business organisation operating within Wales. The FSB exists to promote and protect the interests of all who own and/or operate their own business.
2. The FSB welcomes the opportunity to respond to the Welsh Assembly Government's (WAG's) consultation on the Transport Strategy for Wales as an opportunity to input the views of SMEs in Wales on a subject, which is of intrinsic importance to every business in the country.
3. Although the WAG has made promising announcements regarding substantial transport investment such as the £8billion of investment announced in December 2004, it is clear there is much to be done to make our transport infrastructure and systems fit for purpose in a properly-functioning 21st century economy.
4. With increasing competition from certain economies including those of the new EU accession states, Wales' businesses need to become leaner and more efficient. However, to do this, it is essential that the right physical infrastructure is put in place and we welcome the fact that this Strategy seeks to create a framework for this to happen.
5. We feel that any strategy taken forward from this consultation needs to properly recognise and address the sobering realities of overland travel within Wales and the problems this causes businesses.
6. Much attention has been paid in recent years to improving links in and out of Wales both in the north and in the south. While improvements are welcome and while this supports the needs of larger businesses or businesses seeking to get product to market outside the country or for export, it does little to increase the ability of businesses – especially small businesses- to trade *within* Wales effectively.

7. We feel that decisions need to be made, which although might be financially restraining, are necessary to ensure the development of a truly pan-Wales comprehensive transport network and we would therefore, urge the WAG to keep an open mind to these views.

Chapter 2: Current Transport in Wales

8. The document is right in recognising the existing problems relating to road infrastructure in Wales. It is damning that the 21st century economy of Wales is expected to operate using what is essentially an 18th century road system in many places.
9. While certain sections of the A470 have been significantly improved in recent years, much of the road north of Merthyr Tydfil remains at the very least unreliable and this causes huge problems for businesses seeking to get their product to markets in Wales.
10. In the same way, rail links between north and south are well below standard and this does little to encourage people off the road and onto rail transport.
11. It is of concern that arguably, the best way to get from south Wales to north Wales by both road and rail is to travel via routes in England.
12. The document points towards the significant rise in fares for forms of public transport in recent years. There is a need for this issue to be addressed if road use by individuals is to be encouraged. The FSB feels that with powers for railways recently devolved to the Welsh Assembly Government this should be a topic of investigation by the WAG.
13. In addition to the above, if we are to see a truly integrated transport system in Wales then transferability of ticketing and timetabling needs to be properly considered.

Chapter 3: Key Challenges

14. We welcome the fact that Theme 1 on page 24 recognises that increasing the capacity of some existing routes may well mean the provision of new infrastructure.
15. We also welcome the desire to encourage a greater and more extensive use of bio-fuels. We feel that the benefits of such fuels should be made clear to businesses and that the possibility of funding support for businesses seeking to take up such technologies or various Treasury-led incentives should be explored.
16. Encouragement of home working is to be welcomed and we feel that it is important that this be further developed.

Chapter 4: Addressing the Issues

17. The analysis under Theme 2 on page 26 of the document looks at the promotion of alternative modes of transport available to the individual. However, one of the problems with this is that it fails to make the distinction between essential travel and non-essential travel.
18. In addition, the strategy makes little distinction between travel, which arises from the normal operation of businesses and travel incurred by private individuals. Most travel, which arises from the operation of a business is essential to the effectiveness of that business. Alternatives to the use of cars or vans for instance are not always readily available but businesses should not be penalised.
19. We are concerned at the increasing willingness of public authorities to readily consider pricing and regulation as ways of controlling mode of transport.
20. It would seem that there is little imaginative thought on the part of public authorities on how to control modes of transport other than applying higher cost and taxation under systems of road pricing and workplace parking levies for example.
21. The document suggests that these are measures which would positively encourage people to use more sustainable methods of transport. However applying such charges is more likely to cause resentment and worse, will hit those who have no alternative such as businesses.
22. On page 30 of the document, the possibility of road user charging is considered. While we recognise that there may be a case for distance-based charging, any scheme should consider the needs and realities of businesses and should not be introduced in addition to the current levels of vehicle taxation.
23. The Strategy does recognise that road pricing will need to be tested for acceptability and will need to ensure that particular social groups are not disadvantaged. However, we would add that it is essential that such schemes should be tested for business impact and should not unfairly disadvantage businesses.
24. The document also mentions the possibility for local road pricing schemes including congestion charging. **The FSB in Wales does not in any way support congestion charging.**
25. There is good evidence to suggest that the London congestion charge has had a wholly negative impact on a great many businesses. This evidence needs to be taken into account where such a charging system is considered by any public authority.

26. While regulating parking spaces might seem like a likely option for encouraging people onto public transport, this is unlikely to be the case.
27. The schemes identified such as the extension of on-street charging zones and residents parking schemes have the potential to damage the viability of small businesses within our towns and cities. Rather than encouraging people onto public transport, the likely result of this would be to encourage people merely to shop in out-of-town developments, further damaging small businesses.
28. Although the document in some way recognises the danger of parking schemes causing 'unsustainable development patterns' we do not feel that this important and looming problem has been given sufficient consideration and that the willingness of public authorities to impose parking limitation is of concern to businesses across Wales.
29. We are concerned that the possible impact of these measures on businesses and 'local economies' is considered almost as an afterthought and we would add that the economic implications of these measures are as important as the social and welfare implications that the document has identified such as the impact on 'disadvantaged' groups.
30. One of the key problems for our transport infrastructure is the load placed upon it by vehicles servicing supermarkets. The issue of 'food miles' is one of serious concern. We welcome therefore the commitment on page 34 to encouraging the sourcing of local goods and produce where there is the potential to reduce freight mileage.

Part 2: Delivering the Outcomes

Chapter: 5 Social Outcomes

31. Although we recognise the potential positive (although possibly limited) impact home delivery could have on reducing congestion, it is likely that few but the largest businesses would be able to provide such a service. Businesses should not be compelled to adopt home delivery where it is not identified as a need for the business. However, the Strategy also needs to recognise that there is a danger that this measure could actually *increase* the number of vehicles on the road.

Chapter 6: Economic Outcomes

32. The FSB has welcomed the WAG's commitment to £8billion of transport investment over the next 15 years. We are especially pleased that the WAG announced the long-awaited and much-needed M4 relief road and we look forward with anticipation to its development.

33. However, we feel that the announcement missed an opportunity in not including provision for improvements in the north-south overland links and most crucially, a suitable link between Cardiff and the M4 and Cardiff airport. These are issues which should be addressed with some urgency.
34. The document rightly points out that Welsh exports have shown welcome increases in recent years. We agree that it is essential that transport infrastructure in Wales serve not only the purpose of transporting products around Wales but also getting products out of Wales to export markets. As such we welcome the plan's vision for boosting that ability.
35. The document rightly mentions the need for connectivity (page 61). However, there is little indication that this is happening effectively. We feel that this Strategy should be used to task the Regional Transport Consortia to redouble their efforts in this area rather than simply to expect them to *'continue working in partnership with training operating companies, coach operators and station owners'*
36. **The FSB believes that to encourage more train journeys parking at train stations should be free. The rates of parking at train stations are a common disincentive to commuters taking to the railways.**
37. **We feel that there is a good argument for the creation of a rail park and ride stations similar to Bristol Parkway to service major rail hubs such as Cardiff or Swansea and we would urge the WAG to explore the feasibility of such an idea.**
38. **Such facility near Cardiff might well serve well when integrated with Cardiff airport. In essence, this would be a road/rail/air hub.**
39. We are dismayed that the document does not seem to properly recognise the impact that unreliable journey times can have on businesses in Wales.
40. Lengthy journey times mean that delivery vehicles for example are often tied up for long periods of time reducing the number of deliveries that vehicle can undertake in a day necessitating an increase in fleet sizes to cope with the demands of the business.
41. The inability to accurately time delivery of goods impedes business operation. In addition, the late delivery of goods can in some cases incur penalties. This is especially the case with regard to supplying supermarkets.
42. Members of the FSB have told of difficulties in getting suppliers to deliver to some of the more remote areas of Wales. This needs to be

recognised as an issue and addressed as it does little to encourage business creation and sustainability in these areas.

43. Some members of the FSB in north Wales have for instance stated that they feel that markets in south Wales are not realistically accessible because of lengthy travel times between north and south and the unreliability of the journey. This further exacerbates the perceived north-south divide.
44. The FSB supports the provision of park and ride facilities as detailed in the document.
45. We note that the document points to the possibility of rail freight and identifies cost as a significant obstacle, there are other problems which stand in the way of developing this concept.
46. One problem is that although rail freight reduces the number of long haul lorry journeys, distribution from a rail freight hub would still need to be made by HGVs thus shifting the problem to another area.
47. More rail routes would need to have the capacity to handle freight. This is difficult given that extra freight traffic could possibly interfere with existing passenger services and this is especially a problem on Wales' single lines routes.
48. It would also require a better network of distribution from freight hubs and the provision of additional hubs, especially in westerly areas of the country.
49. **Rail freight is not currently a realistic proposition for the majority of SMEs in Wales for moving product around the country as volumes tend to be smaller. A pooling scheme or business distribution consortium could be explored as a way of sharing the cost of freight distribution.**
50. **Such a pooling scheme could in theory, work with road haulage and would reduce the number of Heavy Goods Vehicles (HGVs) on the road and could work on a similar basis to Personal Journey Planning (PJP) as mentioned on page 29. This could also help to address the problem of light and empty running as detailed on page 67.**
51. We note that the Strategy mentions the relatively low freight capacity of Cardiff airport (page 67). The FSB feels strongly that this problem is compounded by the absence of effective roads links between the airport and M4 and therefore, strategic road links.
52. We are very concerned at the concept of employers providing interest-free loans for employees to use public transport. **We do not feel that this is the responsibility of employers** and any such scheme should

be administered by public authorities. How an employee chooses to access their workplace is a matter for the individual and not the employer.

53. The FSB recognises the potential benefits of extended homeworking. However although we support moves to explore this in more detail, the Strategy needs to note that there are significant problems for employers with homeworking such as productivity issues and liability insurance issues. **These are issues, which the FSB is happy to explore further with the WAG.**
54. We are disappointed that there is nothing in Chapter 6 that addresses the issues surrounding accessing businesses nor is there anything in this chapter about accessing town centres. Approaches to these problems need to incorporate more than simply the proposal of additional charges.

Chapter 7 – Environmental Outcomes

52. The FSB recognises the potential benefits of Liquefied Petroleum Gas (LPG) but as the Strategy notes, this is not widely available. This is especially the case in more remote or rural areas where arguably, the benefit would be greatest given the greater average mileage for individuals living in such areas. **This is an issue which warrants further investigation in our view.**
53. The FSB believes that the take-up of bio-fuel technology by businesses should be incentivised. **We believe that there is a good case for the Assembly Government to institute grant funding or low interest loans to encourage businesses to adopt such technology. An alternative would be to award tax breaks for those businesses operating bio-fuel vehicles.**

Chapter 8 – South East Wales Transport Alliance (SEWTA)

54. We very much welcome the city region agenda and feel that this agenda poses some significant benefits for Cardiff.
55. We agree that improvements to the transport infrastructure in the South Wales Valleys are of intrinsic importance for encouraging businesses to set up in this area and allow for proper workforce flow.
56. The document details the fact that car use in Cardiff is lower than the national average and use of public transport is higher. It is difficult to see therefore, why there should be a strong case for the development of a congestion charging scheme in Cardiff. Based on the experience of the London congestion charge, such a scheme has the potential to cause real and lasting damage to small businesses within Cardiff and we do not see it as a viable option for reducing traffic in the city.

57. It is essential that this Strategy pays proper regard to the fact that fares for public transport are generally high and in some cases, unreasonably so. If public transport is to be a viable alternative to use of the car, then cost and reliability of public transport – especially rail transport – will have to be addressed before encouraging people out of their cars.
58. As the SEWTA constitutes the key economic area of Wales, it is imperative that it is not considered in isolation and that access to this important economic region is made as easy as possible for the flow of goods in and out of South East Wales.
59. Given that the region has the only viable air freight terminal, we would reiterate that links between the M4 and Cardiff airport need to be drastically improved. Likewise, access to this area is important given that it also contains important sea and rail freight terminals.

Chapter 9 – South West Wales Integrated Transport Consortium (SWWITCH)

60. Although the M4 serves key economic and industrial areas of South West Wales such as Swansea and Llanelli well and links from the M4 to Carmarthen are very good, links West of St Clears into Pembrokeshire remain very poor indeed.
61. The FSB is disappointed with the WAG's repeated assertion that there is not a viable case for the duelling of the A40 West of St Clears. We fundamentally disagree with the assertion, which has been made previously by Assembly Ministers that it would not matter how many lanes there were into Pembrokeshire.
62. The development of major projects such as the LNG facility and Bluestone as well as the presence of two major ports depend on the viability of appropriate overland links. The A40 currently suffers significant congestion – especially during the summer months – and this impacts not only on the operation of existing businesses but does little to promote Pembrokeshire as a destination for further significant investment by businesses.
63. **The FSB feels that the issue of duelling the A40 needs to be reinvestigated and re-evaluated by the WAG and we feel furthermore that the views of businesses should be sought as part of this process.**
64. We very much welcome the proposal to regenerate Carmarthen and we agree with the assertion that it is an important service hub for the area and of vital economic importance therefore to the South West Wales economy.

65. We also welcome the proposal to include public transport infrastructure in the area as this has traditionally been sadly lacking.
66. We would urge that surety is needed as to the future of the heart of Wales line, which provides an important although relatively slow public transport function through Mid-Wales. The future of this line has for many years been in doubt and yet it would surely be of pivotal importance if alternatives to the private car are to be promoted.

Chapter 10 – Trafnidiaeth Canolbarth Cymru (TraCC) Region

67. The transport infrastructure of mid-Wales is economically underdeveloped. This continues to be a barrier to attracting new investment and to the development of indigenous companies in the area.
68. Although key routes pass through mid Wales such as the A470 and A483, this is generally the area where they are at their slowest and least developed. This poses significant problems for businesses in the area.
69. Access to key centres such as Aberystwyth is very poor and this, coupled with its physical remoteness from other centres means that it is not seen as a viable business location. It is important that links are improved if this area is to show itself to be a suitable location for anything but tourism-related businesses.
70. **The FSB feels that in order to pave the way for larger businesses to locate to Aberystwyth and the mid Wales area, the WAG should consider upgrading the Aberystwyth to Shrewsbury rail line to carry freight.**

Chapter 11 – Taith Region

71. The road infrastructure of north Wales has been well served by the substantial upgrading of the A55 North Wales Expressway and the WAG is to be congratulated for its commitment to this improvement.
72. However, congestion remains a problem in North East Wales and we are pleased therefore, to see that this problem is reflected in the Strategy.
73. We very much welcome the notion of cross-boarder collaboration as detailed on page 109. Given the importance of markets in the North West of England to this area of Wales, it is important that any consideration of strategic transport issues bears close attention to those issues considered within the North West to ensure connectivity.

Chapter 12 – Delivery

74. We are very concerned that under the heading of 'partnership working' no reference is made to the private sector despite it being a key partner in any such Strategy.
75. As the wealth generating sector, the private sector has a key role to play in this strategy and so it is of concern that the WAG sees this as an almost wholly public-sector led strategy.
76. The FSB feels that the importance of proper consultation with the private sector should be reflected within the strategy.
77. We would caution against an over-reliance on charging schemes for the funding of transport schemes as outlined on page 120. There is a very real danger of relying on such schemes for new or existing transport projects and therefore the danger that more charging schemes would be introduced whenever a funding need arises.
78. A proliferation of charging schemes in Wales would be wholly unacceptable and will be vehemently opposed by the FSB and much of the private sector.
79. We feel very strongly that a positive approach should be adopted to encourage businesses to seek more sustainable transport alternatives or to adopt working practices, which complement the spirit of this Strategy.
80. One such approach would be to incentivise businesses to take up greener transport methods or to undertake travel and freight plans etc. In the same way, we feel that rather than penalise commuters through congestion charging schemes for instance, the WAG should be looking at incentivising them in a positive way through attractive timetabling and affordable fares.
81. Adding additional business burdens whether financial or administrative is not a suitable or viable method of tackling the issues outlined in the Strategy.

Chapter 13 – Monitoring of the Wales Transport Strategy

82. We are broadly supportive of the indicators identified in Chapter 13. However, we feel that there should be some determination of the impact on business of time lost to congestion & transport delays for example. It is important that there be some sort of monitoring facility to determine success of this strategy in addressing these problems.

General

83. The FSB very much agrees with the WAG's drive to increase the number of individuals using public transport as an alternative to car use. However, we feel that this can only be done following significant

investment and upgrading in the public transport infrastructure in Wales which remains of a generally low standard. Reliability, frequency and cost are all areas which will need to be addressed as these are the main obstacles to encouraging modal shift.

North-South Links

84. The FSB feels that the absence of proposals to significantly upgrade and improve north-south overland links is regrettable and a missed opportunity. We feel that addressing this issue is essential to the future economic sustainability of communities along that route and Wales as a whole.
85. In their current state, these routes preclude small businesses in north Wales accessing markets in the south and vice versa.

Road Pricing

86. **We feel that the WAG needs to give clarity to its position and preference on road pricing schemes in Wales and needs to detail the mechanisms it will put in place to ensure that there is proper scrutiny afforded to any schemes considered by local authorities in Wales.**
87. **We feel that any road pricing scheme under consideration in Wales either at a national level or at a local level should be undertaken in full consultation with the business community.**

Suitability of Physical infrastructure

88. Members of the FSB have often voiced concerns about the physical state of the roads in Wales. This is most especially the case on rural routes.
89. The FSB noted with some concern the recent Annual Local Authority Road Maintenance (ALARM) survey released earlier this year, which detailed a significant decrease in the budgetary allocation for road structural budgets among local authorities in Wales. The average per authority showed an average 32% reduction on the budgets available for 2005.
90. The report also detailed that all local authorities in Wales considered that as a result of this shortfall, there was a threat to the safety of users – 12% more than England - and that the average frequency of road surfacing stood at some 97 years.
91. Degraded roads not only pose a threat to the safety of individuals and account for a number of claims by users but constant 'patch and mend' work can cause significant delays which can impact on businesses in terms of the number of lost man hours.

92. A recently-conducted survey of FSB membership in Wales found that 44% of businesses were dissatisfied with the state and repair of local roads with only 11% saying that they were satisfied.

Freight

93. Although there is frequent reference to the possibilities posed by increasing use of rail freight, there is very little detail as to how this might be attained. If this is to be a serious proposal, substantial work will need to be undertaken into the feasibility of this mode of freight transport for businesses in Wales.
94. Likewise, the Strategy mentions potential opportunities posed by seaward freight. Again, we urge the WAG to clarify how it proposes such a modal shift to take place.

Parking Provision & Charging Systems

95. We are concerned that this document does not consider the problems of parking in towns and cities in Wales and the way in which this affects small businesses. Rather, it seeks to encourage the adoption of schemes such as controlled parking zones, which by their nature actually reduce the amount of parking spaces available and can therefore have a wholly negative effect of many small businesses.
96. The inevitable consequence of limited, restrictive or expensive parking in towns and cities is a tendency to force customers into peripheral areas such as out-of-town developments and this inevitably takes trade away from SMEs.
97. We would urge the WAG to consider the proper availability of appropriate and affordable parking as part of this strategy and therefore give direction to local councils to ensure that proper provision is made.
98. The FSB reiterates its opposition to congestion charging as indications from the experience of London businesses have been largely negative as far as SMEs are concerned. (*see attached report*)
99. In the same way, we are very concerned about the development of Controlled Parking Zones (CPZs) such as that being currently considered by Cardiff County Council. This particular scheme has given rise to significant opposition by businesses and local communities which are likely to be affected.
100. Such schemes have the potential to deter customers who are unable to find parking elsewhere or unwilling to pay often extortionate parking rates and serve only as a revenue raising tool for local authorities.

Cross-Border Working & Regional Agendas

102. This Strategy is ambitious in its scope in requiring an almost unprecedented level of cross-border working. We are pleased that the Strategy acknowledges this and states the need for parties to work to common goals.
103. Although we recognise the regional transport agendas, all must be done to ensure that the differing agendas do not cause the fragmentation of the plan. Where a strategic route crosses the geographical boundaries of transport consortia for instance, then any changes needed for that route need to be agreed.
104. In short, we recognise that this Strategy requires the transport consortia, public agencies and authorities as well as the private sector to have a weathered eye on the need for a strategic all-Wales network.

Economic Needs

105. We are concerned that this Strategy focuses so heavily on the social and health-related consequences of transport in Wales and not heavily enough on the economic and business needs. Although it cannot be argued that the health and well-being agenda is not of intrinsic importance, we feel that more weight and greater consideration needs to be given to the needs of businesses and the economy at large.
106. If this plan is really to have a 30-year horizon, then it is imperative that political consensus be sought to support the final Strategy.
107. **The FSB hopes that the Welsh Assembly Government finds these comments of constructive use and we look forward to developing this Strategy in partnership with the WAG and other partners**

***FSB Wales Policy Office
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