



Arbenigwyr mewn Busnes  
Experts in Business

# FSB Wales response to the UK Government

## The Severn Crossings

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## About FSB Wales

FSB Wales is the authoritative voice of businesses in Wales. With 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees; FSB Wales is in constant contact with business at a grassroots level. It undertakes regular online surveys of its members as well as a biennial membership survey on a wide range of issues and concerns facing small business.

## Introduction

- 1.1. FSB Wales welcomes the UK Government's consultation on reducing the cost of tolls on the Severn crossings and other related issues. FSB Wales has long campaigned for a reduction in the tolls which many of our members see as a barrier to trade between south Wales and the south west of England.
- 1.2. There is a significant body of evidence around the impact of the Severn crossings tolls on the Welsh economy, including research from Welsh Government in 2012 that showed that 50 per cent of businesses in the vicinity felt the crossings were either 'important' or 'very important' for their business. This equated to around £107m in lost gross-value added for the Welsh economy.<sup>1</sup>
- 1.3. Furthermore, the cross-party House of Commons Welsh Affairs Committee in 2010 published a report on the issue concluding "*We believe there is a strong case for reducing the cost of the toll and urge the Government to implement this when they take ownership of the crossings.*" The Welsh Affairs Committee also recommended that the UK Government introduce more modern technology to allow for smoother crossing of the Severn at the earliest opportunity.<sup>2</sup>
- 1.4. As such, FSB Wales broadly welcomes the move to both reduce the cost of the tolls and would call on the UK Government to introduce free-flow charging.

## Methodology

- 2.1. FSB Wales has previously commissioned research on the impact of the Severn crossings on our members. Our report in 2010 titled *The Severn Bridges: Taking Its Toll on the Welsh Economy?* set out some of key issues for our members in relation to the cost and impact of tolls.<sup>3</sup>

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<sup>1</sup>Welsh Government. 2012. *The Impact of the Severn Tolls on the Welsh Economy* [Online]. Available at: <http://gov.wales/docs/caecd/research/121105severntollsfinalen.pdf> (accessed 10th March 2017)

<sup>2</sup> Welsh Affairs Committee. 2010 [Online]. Available at: <https://www.publications.parliament.uk/pa/cm201011/cmselect/cmwelaf/506/50609.htm> (accessed 10th March 2017).

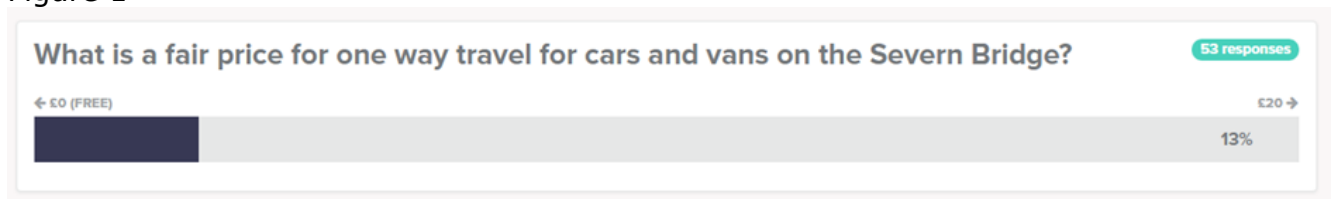
<sup>3</sup> FSB Wales. 2010. *The Severn Bridges: Taking Its Toll on the Welsh Economy?*

- 2.2. Furthermore, in response to the current consultation, FSB Wales carried out a snap poll through Doopoll of our members. The response rate at 54 is used for illustrative purposes only.

## Future Toll Prices

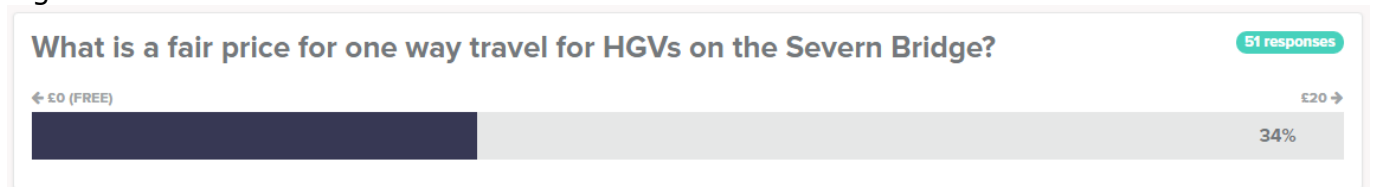
- 3.1. FSB Wales broadly supports the UK Government’s move to decrease the cost of tolls to £3.00 for cars and vans. We asked the question “What is a fair price for one way travel for cars and vans on the Severn Bridge?”
- 3.2. As you can see from our members’ response (figure 1), we gave our members the option to choose, on a scale, what price they think would be fair to travel one way on The Severn Bridge. 53 of our members responded to this question and the response shows that as an estimate, our members believe that around £2.70 was a fair price to pay when crossing the Severn bridges.

Figure 1



- 3.3. FSB Wales also welcomes the reduction in categories from three to two and the proposed halving of the price for HGVs and other heavy goods vehicles.

Figure 2

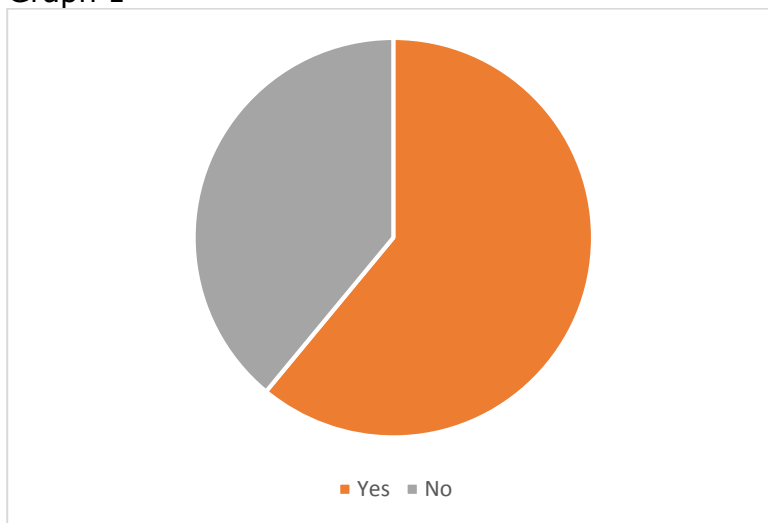


- 3.4. We asked our members (figure 2) “What is a fair price for one way travel for HGVs on the Severn Bridge?” which has also been taken from our poll. We received 51 responses to this and as you can see in comparison to the previous question, our members believe that HGV’s should be charged slightly more when travelling one way across the bridge at around £6.80.
- 3.5. FSB Wales agrees that the future TAG payment system should also reflect the reduction in toll costs and welcomes the UK Government’s proposals in this area.

## Free-Flow Charging

- 4.1. FSB Wales agrees that the future TAG payment system should also reflect the reduction in toll costs and welcomes the UK Government's proposals in this area.
- 4.2. In relation to free-flow charging, FSB Wales believes the UK Government should introduce this at the earliest possible opportunity. This would ensure there are few barriers in terms of the flow of traffic and the time spent in queues for small businesses using the crossings.
- 4.3. Please see below graph 1, where we asked our members "Would automated tolling (free flow) on Severn Bridge be of benefit to your business? This would be similar to the operation of the London congestion charge."

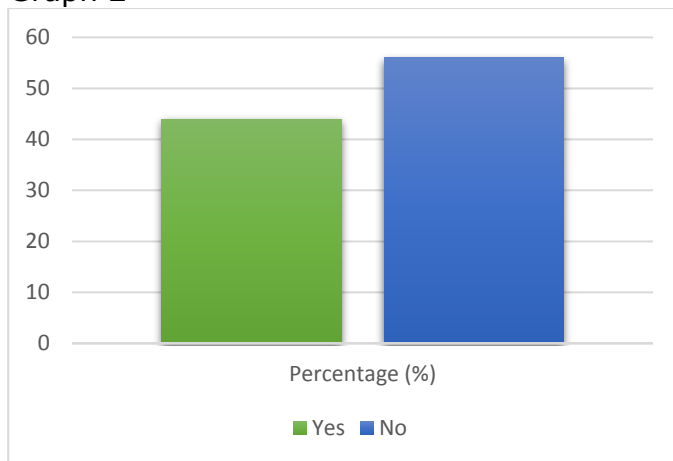
Graph 1



- 4.4. FSB Wales agrees that the future TAG payment system should also reflect the reduction in toll costs and welcomes the UK Government's proposals in this area.
- 4.5. 56 of our members answered this question and as the graph illustrates 61% of them stated that the automated tolling on bridges would be beneficial for their business compared to the 39% who believed it would not be beneficial.
- 4.6. In relation to two-way tolls the evidence was a little more mixed. In graph 2 we asked our members "Are you in favour of two way tolls (as opposed to one way) on the Severn Bridge?"

- 4.7. We received 54 responses in relation to this question, where the majority of our members were opposed to the idea of creating two way tolls on the currently one way toll Severn Bridge. 56% of our 54 members stated that they opposed this idea with 44% confirming they are in favour of two way tolls.

Graph 2



- 4.8. Therefore, FSB Wales believes the exact nature of free-flow tolling should be further explored before deciding whether two-way tolling should be introduced. At the minimum, FSB Wales believes if two-way tolling is introduced the cost should reflect this meaning a cost of £1.50 each way on a category 1 toll.

## Future of the Tolls

- 5.1. FSB Wales believes that a longer term review needs to be undertaken of the tolls to ascertain whether tolling should continue to take place at the Severn crossings. The purpose of tolls is usually to fund the initial capital infrastructure investment. Now that the concession period is coming to an end there are concerns that the tolls are being used as a revenue raising mechanism, over and above their initial intention.

## Conclusion

- 6.1. In conclusion, FSB Wales welcomes the consultation from the UK Government on a proposed reduction in the cost of crossing the Severn crossings. We call on UK Government to implement its suggestions at the earliest opportunity in order to alleviate the time and cost burden of the existing tolls.



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