

Explanatory Memorandum to the Traffic Signs (Amendment) (Wales) Regulations and General Directions 2023

This Explanatory Memorandum has been prepared by the Department for Transport and Digital Connectivity and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Deputy Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Traffic Signs (Amendment) (Wales) Regulations and General Directions 2023.

Lee Waters MS
Deputy Minister for Climate Change
11 July 2023

PART 1 – EXPLANATORY MEMORANDUM

1. Description

- 1.1. The Traffic Signs (Amendment) (Wales) Regulations and General Directions 2023 (“TSRGD 2023”) is made by the Welsh Ministers under sections 64 (1), (2) and (3), section 65 (1) and section 85 (2) of the Road Traffic Regulation Act 1984 (“RTRA 1984”).
- 1.2. The purpose of this statutory instrument is to amend the Traffic Signs Regulations and General Directions 2016 (“TSRGD 2016”) in relation to Wales. The TSRGD 2016 sets out what traffic signs in Great Britain must look like, what they mean and how they may be placed and illuminated. These amendments are consequential on and supplementary to the Restricted Roads (20 mph Speed Limit) (Wales) Order 2022 (“the 20 mph Order”), which will reduce the general speed limit for restricted roads in Wales from 30mph to 20mph when it comes into force on 17 September 2023.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

None.

3. Legislative background

- 3.1. Section 64 of the RTRA 1984 provides that the design of a traffic sign placed in Great Britain must be specified through regulations (currently being the TSRGD 2016) made by the relevant authority (unless the sign is specifically authorised). Section 65 gives power to the relevant authority to give general directions to traffic authorities about how traffic signs are placed. Such general directions shall be exercisable by statutory instrument. The Welsh Ministers are the relevant authority in relation to Wales for functions of the relevant authority under section 64 and 65.
- 3.2. Section 85(2) of the RTRA 1984 empowers the relevant national authority to give general directions for the purpose mentioned in s85(1), that being of securing that adequate guidance is given to drivers of motor vehicles as to whether any, and if so what, limit of speed is to be observed on any road. Such general directions shall be exercisable by statutory instrument. The Welsh Ministers are the relevant national authority in relation to Wales for functions of the relevant national authority under section 85.
- 3.3. Under section 134(11) of the RTRA 1984, a statutory instrument containing regulations made by the Welsh Ministers under section 64 is subject to annulment in pursuance of a resolution of Senedd Cymru.
- 3.4. Section 65(3ZC) of the RTRA 1984 provides that before the Welsh Ministers give a general direction in relation to the placement of traffic signs under section 65(1),

they must consult with the Secretary of State (“SoS”). Under section 85(10), before the Welsh Ministers give a general direction under section 85(2), they must consult with the SoS. In addition, section 134(13) requires the Welsh Ministers to consult with the SoS before making regulations under section 64. Under section 134(10), before making regulations under section 64, the Welsh Ministers must also consult with such representative organisations as they think fit.

4. Purpose and intended effect of the legislation

- 4.1. The TSRGD 2023 makes amendments to the TSRGD 2016 to reflect the reduction in the general speed limit in Wales. The reduction in the general speed limit will have an impact on which signs are used and where they are to be placed on roads in Wales. These amendments need to be made so that highway authorities are able to place suitable and compliant traffic signs and road markings in place that enable them to enforce the 20mph Order.
- 4.2. The primary intention of both the 20mph Order and the TSRGD 2023 is to improve road safety and reduce the number of people being killed or seriously injured as a consequence of road traffic collisions in Wales. They also seek to encourage a shift to more active forms of travel and improve the local economy and environment in Welsh communities. All road users in Wales are affected by the TSRGD 2023.
- 4.3. The TRSGD 2023 will also support the objectives of many Welsh Government strategies including Llwybr Newydd: the Wales Transport Strategy 2021 and the goals set out in other legislation such as the Active Travel (Wales) Act 2013 and the Well-being of Future Generations (Wales) Act 2015.

5. Summary of amendments made by the TSRGD 2023

- 5.1. A list of the amendments made to the TSRGD 2016 by the TSRGD 2023 is provided in the table below.

Regulation	Traffic Sign	Type	Description
3	Road safety image/slogan sign	New sign	A new road safety sign to be used in addition to the signs which warn of children going to or from school or playground ahead, or of road humps.
3	Road humps sign	New sign	A new sign warning of a traffic calmed area to accompany a sign for road humps.
4	Entrance to and exit from 20mph zone signs	Removal of existing sign	Signs which warn of the entrance to and exit from a 20mph zone. These will no longer be necessary in Wales once the general speed limit for restricted roads is reduced to 20mph. These signs will need to be removed by 17 September 2024.

5	Traffic calmed area signs	New sign	A new sign warning of the end of a traffic calmed area to be used in place of the sign which currently warns of the exit from a 20mph zone.
5	Speed camera ahead signs	New sign	A new sign to warn of a speed camera ahead and remind drivers of the 20mph speed limit. The corresponding sign reminding drivers of the 30mph speed limit will no longer apply to Wales to reflect the reduction in the general speed limit for restricted roads. These signs will need to be removed by 17 September 2023.
6	Temporary signs	New sign	A new temporary sign to warn of or indicate the commencement point of a new 20mph speed limit. The corresponding sign indicating the commencement point of a new 30mph speed limit will no longer apply to Wales to reflect the reduction in the general speed limit for restricted roads.
9	Speed limit repeater signs / road markings	Removal of existing signs / road markings	20mph repeater signs / road markings in street lit areas will be prohibited on roads in Wales which are subject to a maximum speed limit of 20mph by 17 September 2024. 20mph repeater signs must be removed by 17 September 2024 whilst 20mph repeater road markings must be removed by 17 September 2028.
10	Temporary signs	Restriction applying to new sign	Restricts the use of the new sign introduced in regulation 6 warning of or indicating the commencement of a new 20 mph speed limit. The sign can only be used on a road with a recently imposed speed limit of 20 mph during the period of 12 months beginning with the day on which the new 20 mph speed limit comes into force.
11	Savings/transitional provisions		Once the TSRGD 2023 is in force, a number of traffic signs and road markings currently in use will no longer be necessary and will therefore not be permitted in Wales. These transitional and savings provisions effectively provide a 'grace' period for certain traffic

		signs and road markings allowing traffic authorities additional time after the TSRGD 2023 comes into force to ensure the correct traffic signs and road markings are in place and non-compliant/redundant traffic signs and road markings are removed.
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6. Consultation

6.1. Stakeholder Consultation

6.1.1. Under s.134(10) of the RTRA 1984, before making regulations under a provision of the Act (except s.103(1), s108 to s110, Schedule 4, Schedule 8 and Schedule 12), the Welsh Ministers must consult with such representative organisations as they think fit.

6.1.2. A 6-week stakeholder consultation was undertaken from 5 January 2023 to 16 March 2023. All traffic authorities (including the Strategic Road Network Division for the trunk road network in Wales) and emergency services in Wales were invited to respond to a consultation on the proposed changes to the TSRGD 2016. 13 online responses were received by the Welsh Government in the consultation period. There were no contentious issues raised in the stakeholder consultation. There was overall agreement with the proposed amendments.

6.1.3. The consultation documents and a summary of the responses are available [here](#).

6.2. Other consultations

6.2.1. Under section 65(3ZC), 85(10) and 134(10) of the RTRA 1984, the Welsh Ministers are required to consult with the Secretary of State before making this statutory instrument (see Legislative Background section above). The Secretary of State for Transport was consulted on 12 June 2023 and a letter of response was received from the Minister for Roads and Local Transport on 18 June 2023.

6.2.2. An independent steering group consisting of representatives from traffic authorities, trade associations and the UK Government's Department for Transport along with other individuals with expertise in traffic signage was established in March 2021 and have met on a regular basis to provide stakeholder input on the proposals to amend the TSRGD 2016.

PART 2 – UPDATE TO THE TRAFFIC SIGNS AND ROAD MARKINGS COSTS INCLUDED IN THE REGULATORY IMPACT ASSESSMENT FOR THE RESTRICTED ROADS (20 MPH SPEED LIMIT) (WALES) ORDER 2022

1. Introduction

- 1.1. The purpose of a Regulatory Impact Assessment (“RIA”) is to provide the Welsh Ministers with an assessment as to the likely costs and benefits of complying with relevant Welsh subordinate legislation.
- 1.2. The RIA relating to the 20mph Order was published along with the Explanatory Memorandum in June 2022.
- 1.3. A further RIA relating specifically to the TSRGD 2023 was not deemed necessary. The TSRGD 2023 makes technical amendments to the TSRGD 2016 which are consequential on and supplementary to the 20mph Order and forms part of the policy assessed under the RIA relating to the 20mph Order.
- 1.4. The RIA relating to the 20mph Order included an estimate of the cost of changing traffic signs and road markings to reflect the reduction to the default speed limit on restricted roads in Wales from 30mph to 20mph. The following section provides an update to those cost estimates. The updates do not significantly alter the analysis or conclusions in the RIA relating to the 20mph Order. The benefits of reducing the default speed limit on restricted roads in Wales from 30mph to 20mph are as set out in the RIA relating to the 20mph Order.

2. Direct Costs relating to the TSRGD 2023

- 2.1. The majority of the direct costs of reducing the default speed limit on restricted roads in Wales from 30mph to 20mph are capital costs related to implementation of new signage. These costs fall almost entirely on the Welsh Government.
- 2.2. Capital costs associated with the policy relate to the cost of implementing and removing signs and road markings. At the time of the RIA relating to the 20mph Order, the reported capital costs considered the following:
 - 2.2.1. Capital costs were estimated to amount to £24.0m in 2022 prices, and these costs would be incurred in 2022 and 2023.
 - 2.2.2. Adjusting for a 22% optimism bias adjustment in line with Green Book supplementary guidance¹ for capital expenditure, the capital costs were estimated to amount to £29.3m in 2022 prices.

¹ Green book guidance recommends explicitly incorporating for the tendency of cost estimates to be overly optimistic. The recommended upper bound for capital expenditure is 44%, 22% represents half this upper bound. See: <https://www.gov.uk/government/publications/green-book-supplementary-guidance-optimism-bias>

2.2.3. Finally, for the purposes of comparing costs against benefits, the costs were discounted to 2022 prices using standard Green Book discount rate of 3.5% per annum², and discounted costs were estimated to amount to £29.1m in 2022 present values.

2.3. Since the RIA relating to the 20mph Order, a more accurate assessment and breakdown of signage costs for highway authorities has been re-calculated. This is based on actual expenditure by highway authorities in 2022-23 as well as estimated costs for 2023-24. The capital cost and the expenditure profiles have now been adjusted to account for this. The changes in costs since the RIA relating to the 20mph Order reflect the following:

2.3.1. Updated capital cost estimates amount to £21.9m in 2022 prices, and these costs would be incurred in 2022, 2023 and 2024, with some expenditure originally expected in 2022 now anticipated to be incurred in 2023.

2.3.2. Adjusting for a 22% optimism bias adjustment, these costs total £26.7 million.

2.3.3. And finally, for the purposes of comparing costs against benefits, the discounted costs were estimated to amount to £25.7m in 2022 values.

2.4. The estimated direct cost for signage and road markings (including optimism bias) in the RIA relating to the 20mph Order was £29.3m. The updated estimated direct costs (including optimism bias) currently amount to £26.7m. This represents a reduction of £2.5m from the original estimation.

Item	2022	2023	2024	Estimated costs (2022 prices, excluding OB)	Estimated costs (2022 prices, including 22% OB)	Estimated costs, (Present Values, including OB, discounted to 2022)
Signage cost estimates (June 2022)	£19.2m	£4.8m	-	£24.0m	£29.3m	£29.1m
Signage cost estimates (May/June 2023)	£1.4m	£15.9m	£4.6m	£21.9m	£26.7m	£25.7m
Summary of the changes				£2.1m reduction	£2.5m reduction	£3.4m reduction

Competition Assessment

² See: <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

A competition filter test has been completed and the TSRGD 2023 is not expected to impact on levels of competition in Wales or the competitiveness of Welsh businesses.