

SUBJECT: Proposed Chepstow Bypass

MEETING: County Council

DATE: 25th June 2026

DIVISION/WARDS AFFECTED: Chepstow

1. PURPOSE:

This report has been prepared to provide the information set out in 8.2 of the motion agreed at the Full Council Meeting dated 22nd January 2026.

2. RECOMMENDATIONS:

2.1 To note the content of the report.

3. KEY ISSUES:

3.1 At the aforementioned meeting County Council agreed a motion which related to the ongoing transport issues in Chepstow and specifically a proposed Chepstow by-pass. This report seeks to cover item 2 of the motion which specified the following:

That Cabinet bring a report to Full Council setting out:

- The current status of previous commitments made by the Council in relation to a bypass/relief road for Chepstow
- Available options for funding and progressing the next phase of Transport Appraisal Guidance for a bypass/relief road for Chepstow
- A clear timetable for engagement and decision-making with Gloucestershire County Council, Welsh Government and UK Government partners, including elected parliamentary members.

Chronology

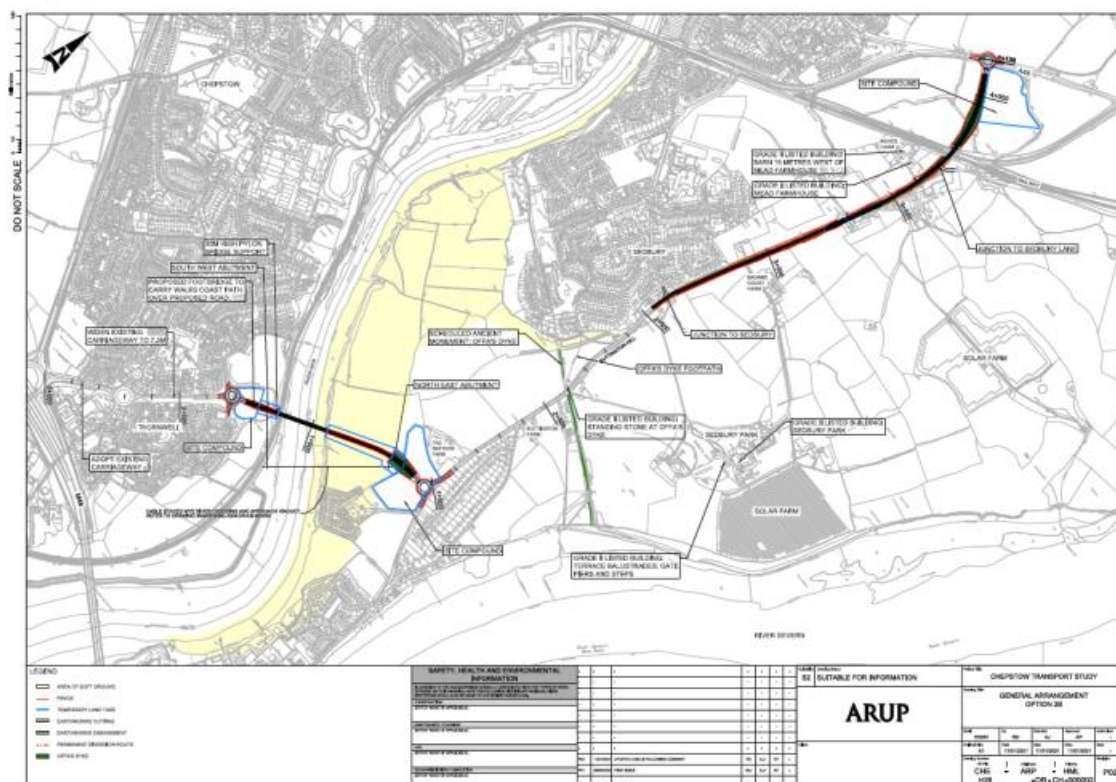
3.2 In 2018, A WeITAG Stage 1 Chepstow Transport Study was jointly commissioned By Monmouthshire and Gloucestershire County Councils and the Forest of Dean District Council. The study considered the strategic corridor of the A48 from Lydney in the east to Chepstow in the West.

3.3 The study recommended that eight options were taken forward for further appraisal, these included:

- Chepstow By pass between Beachley and Sedbury
- Improved rail services to Bristol and park and ride rail

- A new M48 Junction
- Do minimum
- Public transport integration
- Improvement in local bus services network to reduce local trips
- Active travel upgrades and additions
- Reducing the need to travel.

- 3.4 In May 2020, Monmouthshire County Council was awarded Local Transport Funding of £37,500 to commission a WelTAG 2 study for the shortlisted options recommended in the WelTAG Stage 1 report.
- 3.5 ARUP were appointed to undertake the report which was published in March 2021. The study identified three shortlisted options which should be taken forward into a Stage 3 Appraisal, they were; active travel improvements; Chepstow Transport Hub and connectivity improvements and Chepstow By-Pass.
- 3.6 Within the report they considered both a 60mph and 40mph Bypass between Beachley and Sedbury and concluded that the latter lower carbon, single carriageway was the most viable by-pass option.



Source: ARUP Stage Two Report

- 3.7 The report also proposed potential funding sources as S106; Welsh Government grant funding through the Local Transport Fund, Active Travel Fund, Safe Routes in Communities, Road Safety Capital, Local Transport Network Fund and the COVID emergency funding grant.
- 3.8 Work has progressed on the active travel routes and Chepstow Transport Hub, but no further studies have been commissioned to progress a WelTAG 3 study for the

Chepstow Bypass. Work on this aspect has paused for two main reasons; Welsh Government policies on road schemes and funding constraints both to progress the WeTAG 3 study and the infrastructure construction. In 2023, Monmouthshire County Council sought approval from UK Government to allocate £500,000 of the LUF grant award to progress a cross-border study to resolve cross border congestion issues, which was rejected. A similar request for Welsh Government LTF funding was also unsuccessful.

- 3.9 The route identified in 2022 for a Chepstow By-pass would require support from both the UK and Welsh Governments. Increased housing targets allocated to neighbouring English Local Authorities, will create additional pressure on an already constrained network. Whilst the proposed by pass is intended to relieve congestion in Chepstow, the greatest benefit is likely to be derived from commuters in England who would have improved highways access to the M48. We would therefore expect UK Government and neighbouring English Local Authorities to play a significant role in the progression and funding of the proposed By Pass.

Policy Landscape

- 3.9 Whilst UK Government policies and funding play a pivotal role in the progression of the proposed scheme, the policy position of the Welsh Government is of equal importance in the development of the scheme proposal. The policy and funding landscape for road building in Wales has been shaped by the Roads Review which was commissioned in June 2022 by the Deputy Minister for Climate Change. The purpose of the review was to reassess the road investment pipeline against new government policies including the Wales Transport Strategy and Net Zero targets.
- 3.10 An independent panel was created which in February 2023 produced The Future of Road Investment in Wales. The report recommended that future road investment follow four purposes and four conditions. The specified purposes were to support modal shift, reduce casualties, adapt to climate change and support economic development via development sites that could support sustainable transport. The report also specified four conditions to be applied when for future road building schemes – minimise construction carbon emissions, there should be no increase in vehicle speeds that would generate increased emissions, the road should not increase the available capacity for cars, and it should not adversely affect ecologically valuable sites.
- 3.11 The recommendations of the review were adopted by Welsh Government, and the purposes and conditions have subsequently been used to assess any new highways proposals.
- 3.12 The proposed Chepstow Bypass was not in the investment pipeline of Welsh Government and was therefore not tested against the criteria.
- 3.13 The Cardiff Capital Region has developed a Regional Transport Plan with a vision “To provide an efficient, affordable and low carbon transport network that enhances quality

of life for our people and creates the conditions for shared prosperity across the Cardiff Capital Region”. Most of the objectives are aligned to improving sustainable transport opportunities, there is a recognition that highways infrastructure will continue to play a key role in the movement of goods and people in and out of the region through TP06. This policy is to improve connectivity, through the provision of transport, between South East Wales and the rest of Wales, the UK and beyond. The first listed strategic activity states:

Resolve traffic congestion on the M4 and feeder routes, particularly around Cardiff, Newport, Chepstow.... to free up road space, to ensure accessibility does not hinder sustainable economic growth in the Region, further west and north.

- 3.14 Whilst there is an acknowledgement of the impact of the issues in and around Chepstow, at this stage no funding has been allocated to enable the progress of WelTAG studies or development studies.

Financial Landscape

- 3.15 The WelTAG 2 report in 2021 identified that the construction of the Chepstow Bypass would be in the region of £60m. In today's values that will have exceeded £75m and the geopolitical landscape will continue to create further risk around the supply chain costs. There are no known grant funding opportunities for new infrastructure in Wales outside the CJC. The UK government has published an Infrastructure Strategy that provides grant funding for schemes in England through the Major Road Network and Large Local Majors scheme. The UK Government has published its Infrastructure pipeline, a ten-year pipeline of investment projects which does not include the Chepstow by-pass
- 3.16 S106 and CIL may also provide opportunities to lever financial support where it can be evidenced that new infrastructure is necessitated by the proposed development. Any S106 request will, however, be balanced against the other Local Authority demands such as affordable housing, net zero adaptations, play and education contributions. The UK Government has increased house building targets in neighbouring English authorities, and they will need to consider the associated infrastructure demand and development costs when providing consent for further development along the estuary.
- 3.17 It remains uncertain how an infrastructure scheme of this magnitude can be delivered, unless public sector borrowing or private sector investment can be levered. The costs will remain uncertain until a WelTAG 3 report is completed which will be required to establish the environmental and financial viability, alongside deliverability and compliance with prevailing policies and legislation.
- 3.18 Given both the policy and financial constraints, the proposed Bypass has not been progressed to a Stage 3 WelTAG assessment. The other two recommendations Active Travel and Chepstow Transport Hub have progressed and are in the process of being delivered and we are continuing to work with key stakeholders such as Network Rail, TfW to improve the availability and access to improved sustainable transport solutions.

Next Steps

- 3.19 Meetings between Gloucestershire County Council and MCC have taken place. It was agreed that until there was a reasonable prospect of funding from UK Government and Welsh Government, local expenditure on a further WelTAG study could not be justified. A working group of officers of both counties has been formed to identify future options.
- 3.22 In the interim we will continue to work with Welsh Government to push for improvements at High Beech roundabout and lobby for the M48 link road at Severn Tunnel Junction. We will also deliver the Chepstow Transport Hub and Active Travel improvements that will reduce local trips with improves sustainable transport options. The improvements to the South Wales Mainline will improve rail frequencies to Bristol and Gloucester

3 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

The report does not seek to change existing Council policy or advance a proposal, instead it is intended to provide an update on the policy and funding landscape which has prevented the progression of the proposed By Pass to a WelTAG 3 study. The report acknowledges that the WelTAG 2 study identifies environmental and policy constraints that will need to be considered as part of the WelTAG 3 process as well as any current funding sources.

4 OPTIONS APPRAISAL

The options are limited to:

Do Nothing – Given the congestion in the Chepstow Area this is not considered a viable option.

Progress Active Travel and Chepstow Transport Hub recommendations in the Stage 2 WelTAG Assessment – The Council has been awarded grant funding via the UK government to improve the Chepstow train station, local bus links and the active travel network in Chepstow. This work is actively progressing which seeks to improve the availability and attractiveness of sustainable transport options in the Chepstow area.

Commission WelTAG 3 study of the Chepstow Bypass – Given the current policy and funding landscape, the scheme cannot be progressed at this time.

5 REASONS:

- 5.24 The Council remains committed to investigating and if viable constructing the proposed Chepstow bypass. Following the publication of the WelTAG 2 study in March 2021, the Welsh Government initiated a review of road building a few months later which resulted in a change of policy which effectively frustrated large scale road building projects.
- 5.25 Given the change in Welsh Government policy, this Council has invested its resources in delivering the two other WelTAG 2 recommendations which align with national policies and have attracted UK grant funding.

- 5.26 The Council recognises that congestion in Chepstow continues to have a negative impact on the local community and is working with Welsh Government to develop improvements to High beech roundabout to improve traffic flows and support local journeys through sustainable transport and active travel. The Council also continues to lobby for the development of a new link road between Severn Tunnel Junction and the M48 which will improve the attractiveness of rail travel and reduce local traffic movements at High beech.
- 5.27 Until such time Welsh Government reviews its position there is no real prospect of unlocking grant funding support through either the CJC or Welsh Government. Any approach to UK government for grant funding will need evidence that the scheme is supported by Welsh Government, viable and capable of delivery.
- 5.28 Any further financial investment in a Stage 3 WelTAG assessment of the bypass would be abortive as environmental studies and cost projections need to be undertaken at a point where the infrastructure would be capable of delivery.

6 RESOURCE IMPLICATIONS:

The Stage 2 WelTAG report published in March 2021 estimated that the cost of construction of the bypass would be in the region of £60m. No further studies have been undertaken to update these costs.

7 CONSULTEES:

Cabinet
SLT

8 BACKGROUND PAPERS:

WelTAG Stage 1 report
WelTAG Stage 2 report

9 AUTHOR:

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10 CONTACT DETAILS:

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