

The National Assembly for Wales' Public Accounts Committee

1 Background

The National Assembly for Wales' Public Accounts Committee is undertaking an inquiry into value for money in the maintenance and improvement of the Welsh trunk road and motorway network.

2 Purpose:

To inform Committee of ICE Wales Cymru's position in respect of the Inquiry into value for money of Motorway and Trunk Road Investment.

3 Whether the Welsh Government's approach to delivery of major trunk road projects provides value for money:

3.1 ICE Wales Cymru considers that the Welsh Government's approach to the delivery of major trunk road projects does offer value for money. The approach adopted by the Welsh Government taps into the very best supply chain expertise, using Professional consultancy organisations with proven world wide experience and expertise in a competitively tendered arena. Many of these organisations have indigenous bases and workforce in Wales.

3.2 Furthermore, ICE Wales Cymru considers that the delivery of major trunk road projects is essential and represents clear value for money in its own right. There is a tested and proven link between the condition of a country's infrastructure and the economy of a country.

3.3 A multiplier effect of the investment can vary between 1.83 and up to as much as 14. According to the (UK) Department for Transport, schemes returning BCR multipliers greater than 2 are deemed to offer "high value for money". As an example, the M4 Corridor Around Newport has been assessed to offer a BCR of between 2.29 and 3.1 (central growth, range subject to selection of 'wider benefits').

4 The effectiveness of Welsh Government planning and costing of schemes:

4.1 ICE Wales Cymru considers that the Welsh Government has a proven methodology for planning and costing of these schemes. The Government utilises the very best expertise of the private sector supply chains.

5 The approach to project delivery and evaluation of projects:

5.1 ICE Wales Cymru considers that the Welsh Government approach to project delivery and evaluation of projects is robust in its use of WelTAG and the TUBA economic analysis as set out in the UK Design Manual for Roads and Bridges..

6 How the Welsh Government could improve its approach to planning and delivery of schemes:

6.1 It is considered that because of the link between the condition of infrastructure and economy (or economic growth), funds for infrastructure should be prioritised and consideration made for these funds to be ring-fenced with long term financial budgetary systems – beyond single year.

7 The extent to which the current approach to routine maintenance and improvement of the network via Trunk Road Agents has delivered value for money:

7.1 ICE Wales Cymru considers that continued maintenance of the Trunk road and Motorway network is essential; a regulated asset management regime is required with planned investment and intervention criteria.

7.2 Continued recognition of the value of the national highway transport infrastructure is required with clarity of not just the short term but with medium and long term budgets. Single year financial programmes are not considered to be the most efficient; long term financial planning is needed.

8 How the maintenance and improvement functions delivered by the Trunk Road Agents can be improved, in the context of the on-going Welsh Government review of these agents:

8.1 ICE Wales Cymru considers that it is essential that the expertise to deliver these essential functions is available to the Welsh Government. The format of these agents is not an issue that I wish to comment upon.

9 Conclusion

It is vital that continued investment into the arteries of Wales transport network continues. However, investment in these routes must not be at the detriment of the remainder of the highway network – the ‘county roads’ as these represent some ninety per cent of the overall highway network.

Keith Jones Director, Institution of Civil Engineers Wales Cymru

11th February 2015

Notes:

- The Institution of Civil Engineers (ICE) was founded in 1818 to ensure professionalism in civil engineering. It represents over 86,000 civil engineers in the UK and across the globe and has over 3500 members in Wales.
- ICE has long worked with the government of the day to help it to achieve its objectives, and has worked with industry to ensure that construction and civil engineering remain major contributors to the UK economy and UK exports.
- For further information visit: www.ice.org.uk and www.ice.org.uk/wales