



24 October 2017

Dear Russell and Members of the National Assembly for Wales, Economy, Infrastructure and Skills Committee

**Infrastructure Procurement and Delivery in Wales and the proposed National Infrastructure Commission for Wales**

We met earlier this autumn at the Institute of Welsh Affairs’ “Building the Future” event. I am writing to you and other members of the National Assembly for Wales’ Economy, Infrastructure and Skills committee to highlight three key points I made at the event about how to strengthen the procurement and delivery of Welsh infrastructure projects.

To provide some context, I lead Arup’s infrastructure design business across a region that includes our operations in Wales, South and South West England and Northern Ireland. In Wales alone – where I am based and where I live – Arup employs 400 engineers, digital consultants and other technical specialists, providing some of Wales’ highest-quality STEM jobs.

In your opening address to the “Building the Future” audience, you named four proposed Welsh infrastructure projects and you raised questions about speed of progress. These were: South Wales Metro, Swansea Bay Tidal Lagoon, the M4 scheme around Newport and Horizon’s proposed new nuclear reactor at Wylfa on the Isle of Anglesey. Arup Wales is very familiar with these projects, having played a central design role on all of them. As you know, political and/or legal decisions about the future of two of these projects (Swansea Lagoon and the M4 in particular) are on the horizon, while in the case of South Wales Metro and Wylfa planning and design are ongoing.

My comments below are about how future infrastructure projects in Wales could be procured and delivered more effectively and in the long-term interests of Wales’ economic growth. I care deeply about Wales and its people; this is where I have lived for over 30 years and, apart from three years recently working in North America, Wales is where I have spent my career with Arup. My comments are not specific to any individual project, but are based on my experience of almost three decades of being part of and, increasingly, of leading multi-disciplinary design teams delivering large infrastructure projects, both in Wales and internationally. This experience has taught me that good infrastructure is delivered by focusing on the following issues:

1. **Secure the right expertise** – the complexity, scale and cost of infrastructure design and construction means that the pool of people with the required technical expertise is usually small and in many cases is likely to be located outside Wales, even outside the UK or Europe. It is essential to hire people to lead the design and construction of major infrastructure projects who genuinely have the experience of doing so previously/elsewhere successfully and to use this ‘imported’ expertise to build skills in Wales for future projects. *The risk of cost overruns and missed deadlines increases substantially when people in key roles are having to learn how to deliver for the first time.* With the right leadership in place, goals for local community participation, job creation and other benefits can be fully achieved. A project led by a number of ‘imported’ leaders in key roles need not undermine the achievement of Welsh-specific economic and social development goals. An excellent example is Scotland’s newly-opened £1.3bn Queensferry Crossing. This major new crossing of the Forth Estuary required senior expert leaders of global stature and an experienced international delivery team. This approach has benefited Scottish manufacturers and employers enormously. (Yes, Arup played a part in this project, but that isn’t the point I’m making. Regardless of employer, Welsh infrastructure needs to be led, designed and built by the best.)
2. **Political will & depoliticised delivery** – the most successful infrastructure projects are those that are supported wholeheartedly over many years by political leaders – ideally, by a group of cross-party politicians. The long-term benefits of an infrastructure project need to be recognised and agreed early on, designed into project outcomes, and then fully supported over many years by politicians and civil servants who understand the long-term value the project will bring. Infrastructure projects that are instead used for partisan political point-scoring usually fare badly or disappear. Once a project has won broad-spectrum political backing - and assuming there is sufficient funding in place - depoliticised, expert-led delivery needs to be the focus. In some cases, dedicated delivery agencies can be helpful, if they hold sufficient skill and capacity. As an example, my recent experiences in Canada, working with Infrastructure Ontario, demonstrated to me again the positive impact of skilled, depoliticised delivery of a pipeline of major infrastructure projects.
3. **Attracting quality contractors** – projects are generally increasing in size and complexity and the number of construction firms (contractors) operating in the UK that are willing and able to build large scale infrastructure projects in the transport, energy and water sectors is limited. There are significant commercial risks for contractors who bid for such work and, as a result, particular projects and geographies can find themselves struggling to attract contractors with the skills, scale and commercial backing to take on priority projects. In a busy and risky market, Arup has observed contractors in the UK becoming increasingly selective about the projects they will pursue. Contractors make critical bid decisions based on matters such as the cost of bidding, the project’s risk profile, likelihood of the project proceeding, security of project funding and a confirmed workload horizon. If Wales is to attract the best quality contractors – those who will deliver the best value for money - then procuring authorities need to be credible partners, creating an attractive long-term pipeline of projects with a good chance of timely delivery.

As I mentioned earlier, I care about Wales and its future and I write this letter with this in mind. If there is any way that my experiences of infrastructure design and delivery can aid or support the efforts of the National Assembly of Wales, Welsh Government or its agencies please do not hesitate to contact me.

Yours sincerely



Dan Saville  
Infrastructure Leader & Director – Arup West UK  
Member of Arup UK Infrastructure Executive

cc      Hannah Blythyn AM  
         Hefin David AM  
         Vikki Howells AM  
         Mark Isherwood AM  
         Jeremy Miles AM  
         Adam Price AM  
         David J Rowlands AM  
         Ken Skates AM

Dear Mr Saville,

17 November 2017

Thank you for your letter setting out some priorities for Infrastructure Procurement and Delivery in Wales.

As I mentioned in my address at the IWA event where we met earlier this year, the Committee's report on the National Infrastructure Commission for Wales, which we published in January 2017, recommended that the appointment of the chair of NICfW should be subject to a pre-appointment hearing.

The Welsh Government accepted this recommendation and we are awaiting details of when this will happen.

We will consider your points in our preparation for that session, which I hope will take place in the next couple of months.

Yours sincerely,



Russell George AM

Chair

Economy, Infrastructure and Skills Committee

