

Mr Darren Millar AM
Chair, Public Accounts Committee
National Assembly for Wales
Cardiff Bay
Cardiff, CF99 1NA

Date: 11 September 2014
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Dear Darren,

INTRA WALES - CARDIFF TO ANGLESEY - AIR SERVICE

The clerk's letter of 2 September 2014 requested my advice on the Welsh Government response to the Committee's recent interim report on the *Intra-Wales – Cardiff to Anglesey – Air Service*. The Welsh Government has indicated that it accepts eight of the nine recommendations in the Committee's report and that it accepts in principle the remaining recommendation.

Overall, the Welsh Government's response appears satisfactory and, in its response to recommendation eight, the Welsh Government has provided further detail about the timetable for the procurement process for a new Air Service contract. However, the evidence that has informed the Welsh Government decision to continue with a new Air Service contract remains unclear at this stage.

In accepting in principle recommendation six, the Welsh Government has indicated that it expects to publish summary findings of the review undertaken on the air service contract following completion of the current procurement exercise in December. The Welsh Government has indicated that information not suitable for publication under freedom of information legislation will not be published. Depending on the extent to which information is held back, the Committee might wish to reflect on its own power to call written evidence, as set out in the Government of Wales Act 2006. While not stated clearly in the Welsh Government response, I assume that the Welsh Government is also mindful, in the short-term, not to publish information that might unduly influence the procurement process. However, the Committee might reasonably question why such a concern would necessarily hold with regard to the terms of reference for the Arup review work, something that the Committee has sought previously.

There are some other areas where the Welsh Government's response could have provided further detail, for example regarding the options that are, in practice, being explored to maximise the benefits and opportunities of the Air Service in future (recommendation nine). However, the Welsh Government has confirmed its commitment

to exploring and keeping under review all possible opportunities within the limitations imposed by Public Service Obligation rules. Recommendation nine flowed from the Committee's comments that consideration should be given to scheduling additional flights to additional locations during the day, although the Committee also commented on issues relating to the size of the aircraft and the use of RAF Valley as the destination airport in North Wales. The published contract notice for the new service states simply that 'The Welsh Ministers are seeking to secure a new 4 year contract for the provision of a scheduled air service between north and south Wales. The service will provide at least two daily direct flights and will be operated as a Public Service Obligation (PSO) under European Union Regulations 1008/2008'. I have not seen the more detailed invitation to tender documentation prepared by the Welsh Government.

The Committee indicated in its interim report that it was likely to return to this issue at a point when the Welsh Government's intentions for the Air Service were clear and following the completion of any tendering process for a new Air Service contract. The Committee may wish to consider scheduling a short follow up evidence session with the Welsh Government later in the autumn term or in early 2015. Such a session could to pick up the issues that I have highlighted above while also seeking further evidence about how other Welsh Government commitments in response to the Committee's recommendations have been taken forward in practice in any new contract.

Yours sincerely,



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES