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

Date: 4 September 2015  
Our ref: HVT/2382/fgb  
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Dear Darren,

## **VALUE FOR MONEY OF MOTORWAY AND TRUNK ROAD INVESTMENT – WELSH GOVERNMENT RESPONSE**

The Deputy Clerk's letter of 25 August requested my advice on the Welsh Government's response to the Committee's report on Motorway and Trunk Road Investment that was published in June 2015.

The Welsh Government has indicated that it accepts 17 of the Committee's 18 recommendations with the remaining recommendation accepted in part. Overall, I consider that the Welsh Government has responded satisfactorily to the recommendations. However, I have highlighted below some areas where the Committee might wish to seek further information or clarification.

**Recommendation 3:** The Welsh Government accepts this recommendation, although the Committee may wish to consider whether the level of detail provided meets its expectations. For example, the Welsh Government could have given a more specific commitment on the timetable for completion of the WelTAG consultation process and exactly when it would then expect to issue and implement the revised guidance.

**Recommendation 4:** The Welsh Government accepted this recommendation and the Committee may wish to request an update on the outcome of the review of lower value contracts to investigate opportunities for the optimum use of ECI principle in early 2016.

**Recommendation 5:** The Welsh Government accepts this recommendation. However, the Committee's report stated that it was concerned about the pace of development of the Welsh Government's street works strategy and the response does not provide a specific update in that regard. The Welsh Government had indicated in its previous evidence to the Committee that the strategy would be published in 2015. The extent to which the draft street works strategy covers issues relevant to major projects on the trunk road network, as opposed to local highways works, remains unclear.

The Welsh Government has promised a further update in the autumn, and the Committee might want to request further detail on these specific points as part of that update, if the street works strategy has not already been published by that point.

**Recommendation 6:** The Welsh Government accepts this recommendation and has a programme in place to monitor the condition of the motorway and trunk road network. However, the Committee may wish to ask the Welsh Government for more detail on the reasons for the deterioration of the motorway and trunk road network and to confirm its expectations regarding the publication of the Welsh Government's plans to improve the condition of the network, for example with regard to the annual programme of work.

The Welsh Government has not met its stated target of not more than eight per cent of the network length requiring maintenance since 2010. To clarify, I understand that a section of trunk road is registered for this indicator when it is deemed – based on a calculation of the road's structural capacity and residual life - to require an investigation to decide whether or not it requires maintenance. The most recently published [Statistical Bulletin on Road Lengths and Conditions, 2014](#) reported that, for 2013, 14.3 per cent of the network fell into this category. However, [Programme for Government related information on the Welsh Government's website](#) includes a more recent figure for 2014 of 10.2 per cent. Neither of these sources appear to cite the eight per cent target.

The Programme for Government reporting notes that the percentage of trunk roads requiring maintenance, taken together with the number of category 1 defects, is indicative of the Welsh Government's performance in maintaining the integrity of the motorway and trunk road network in Wales. Category 1 defects are those which are dangerous, or potentially dangerous, and therefore require immediate attention. The number of such defects is not reported as official statistics but draws on departmental management information. The [information published on the Welsh Government's website](#) only covers the calendar years 2011-2013 but indicates that there were around 12,100 such defects identified in the first eighteen months of that period, compared with around 18,000 in the second eighteen months.

**Recommendation 7:** The Welsh Government accepts this recommendation, although exactly how the proposed action will address the Committee's recommendation and the future prioritisation of expenditure is not clear, particularly with regard to the balance of investment between major projects and maintenance of the existing trunk road network.

However, rather than seeking further evidence itself, the Committee could consider referring the Welsh Government's response to this recommendation on to the Enterprise and Business Committee to consider as part of future budget scrutiny.

**Recommendation 13:** The Welsh Government partially accepted this recommendation although the Committee may wish to seek clarification as to why. The detail provided in response does not appear to address the Committee's desire to see set out clearly the steps remaining for the implementation of an effective information management tool. I assume that the partial acceptance of this recommendation reflects the fact that, pending a future trial, the Welsh Government does not yet know whether it will be practical to use the IRIS system to manage information about major projects.

**Recommendation 14:** The Welsh Government has accepted this recommendation and has committed to a study looking at the capability and competence of the construction sector, as well as making use of on-going work by Construction Futures Wales and the Construction Industry Training Board. This work will include the development of a labour forecasting tool for major transport infrastructure. There are a range of other (non-construction) specialist skills required for major projects and maintenance of the motorway and trunk road network, such as civil engineering, cost consultancy, and environmental consultancy. The Committee might wish to confirm that the work described will cover the full range of skills involved.

In addition, it is not clear from the response whether the work described would consider the public sector perspective that the Committee referred to in its recommendation, taking account of the sort of capability and competence audit that the Committee might have had in mind based on the evidence it heard from Professor Smith.

**Recommendation 16:** The Welsh Government accepted this recommendation. However, the Committee might wish to consider whether it is necessary to receive a report from the Welsh Government at the end of each financial year on the use of screens on the M4. It may be sufficient for the Committee in the fifth Assembly to simply receive a single update following the conclusion of the anticipated three-year trial period.

**Recommendation 17:** The Welsh Government has accepted this recommendation. However, the Committee may wish for more detail on how the Welsh Government will engage further with road users. The Committee may also wish to clarify whether the Welsh Government response implies that it is considering putting in place arrangements to replicate the work of Transport Focus (formerly Passenger Focus) in England. In addition to representing passengers on public transport, Transport Focus now represents users of the Strategic Roads Network (SRN) in England only.

**Recommendation 18:** The Welsh Government accepted this recommendation. The Welsh Government is looking to develop its relationship with Highways England and there are existing forums where these can be enhanced. However, it is noted that the Welsh Government's presence at these forums has been restricted of late and the Committee may wish to find out why this is this case, the types of topics discussed and what information will be placed in the public domain.

I trust that this advice is helpful to the Committee.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'H. Vaughan Thomas', is positioned above the printed name.

**HUW VAUGHAN THOMAS**  
**AUDITOR GENERAL FOR WALES**