

Finance Committee

Welsh Government Draft Budget Proposals 2018-19

I refer to the Committees of the National Assembly seeking information to inform their scrutiny of the Welsh Government's 2018-19 Draft Budget proposals.

On Behalf of the Institution of Civil Engineers (ICE Wales Cymru) I believe that as our quality of life depends on infrastructure; that there would be little economic activity without energy generation and distribution, water supply and disposal, transportation by rail, road, sea & air and waste management and that Wales needs a clear 'Vision for Infrastructure'. The next steps in the development of the National Infrastructure Plan for Wales and the Wales Infrastructure Investment Plan (WIIP) are crucial to the delivery of sustainable and effective infrastructure in Wales.

The focus for the budget should be on:

Resilience:

I consider that the lack of overview of the vulnerabilities of Wales' infrastructure networks has created gaps in our approach to defending critical infrastructure. The interdependence of our infrastructure assets must be recognised with increased levels of information sharing and joint forward planning.

Transport.

The Committee should consider if Wales has a safe, affordable, integrated and accessible transport network that supports local and regional economic growth, productivity and a vibrant society:

and establish a sound 5 year budget for this area.

Energy:

Energy security is one of the key issues facing Wales and the UK today. The Committee should consider if Wales:

- Has sufficient supply and diversity of electricity to avoid interruptions.
- Is reducing the production of harmful emissions.
- Is promoting energy efficiency measures.
- Has sufficient potential skills in this high tech area:

and establish a sound budget for this area.

Water and waste water:

Wales has great potential to harness and benefit from its invaluable supply of water. Water is not only essential for communities, but for business and industry alike. The Committee should consider:

- How to produce innovative low carbon ways to transfer water across river catchments.
- How to Invest in and improve the existing water network – improving efficiency and security of service. Reservoirs must be upgraded to meet future water demand with a long term strategic plan for water resources in Wales.
- How to promote Wales' plentiful water supplies linked to inward development – domestic and commercial opportunities. Availability of water can be a business differentiator in some sectors.
- Water resilience
- How to help the public to view water as a valuable resource to improve water:

and establish a sound budget for this area.

Flood Risk management:

Effective flood risk management requires collaboration across a range of stakeholders. The Committee should consider:

- The development of a long term capital and maintenance programme.
- Strategies to improve property and building resilience and create flood resilient communities:

and establish a sound budget for this area.

Waste management:

There must be a fundamental shift in the way waste is addressed. The Committee should examine how:

- Waste can be treated as a resource
- Wales can shift to a circular economy
- Minimise waste production#consider long term strategy:

and establish a sound budget for this area.

Skills:

The committee should:

- examine if Wales has the right skills in place to address the current productivity lag, to improve infrastructure delivery and yield economic growth
- the level of budget required to achieve the targets for Apprenticeships in Wales::

and establish a sound suitable budget for this area.

Infrastructure Pipeline:

Wales needs a joined up infrastructure vision for Wales, looking forward twenty five years and developed through engagement with governments, clients, investors, operators and delivery teams.

I consider that effective engagement takes place with the construction sector and others involved in the development and delivery of infrastructure in Wales, as indicated by the establishment of an Infrastructure Commission for Wales and that its initial focus should be on development of infrastructure vision and pipeline (WIIP) together with a supporting understanding of skills/resources required. It would be useful for the committee to review work to date around the WIIP and engagement with the sector with a view to determining best practice and improvements for the future.

Broadband Infrastructure – superfast Cymru.

A priority should be the continuation of the Superfast Cymru initiative. A full roll-out across Wales should be prioritised. There is increasing reliance on broadband (which also supports SME development).

See below specific responses to the consultation questions.

Consultation questions

1. *What, in your opinion, has been the impact of the Welsh Government's 2017-18 budget?*

Response: The existing budget has allowed the steady progression of Wales out of the financial depression of the latter years.

2. *What expectations do you have of the 2018-19 draft budget proposals? How financially prepared is your organisation for the 2017-18 financial year, and how robust is your ability to plan for future years?*

Response: Expectations - a continuing investment in infrastructure. The Institution of Civil Engineers is very well prepared for the 2017 – 2018 year. There is increasing importance in professional skills and qualifications.

3. The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on the areas identified below?

- Financing of local health boards and health and social care services

Response: Infrastructure assists in the well-being of populations through Active Travel Planning. Similarly, the infrastructure for Social Services needs to be adequate to cope with a growing ageing population.

- Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Response: Continued investment in the maintenance of the infrastructure of Wales is required to avoid future degradation and erosion. Planned asset management spending is necessary to avoid extremely costly reconstruction.

- Sustainability of public services, innovation and service transformation

Response: This is a vital area as we move into climate change and vital changes to the modal split of transport movements.

- Welsh Government policies to reduce poverty and mitigate welfare reform

Response: The infrastructure of Wales is vital to the economy and well-being of Wales and its population. Vital sectors include transport, water, flood risk management, sanitation and energy.

- The Welsh Government's planning and preparedness for Brexit

Response: It is vital that funds are secured to invest in the vital infrastructure of Wales – the Nation had received major structural funds and alternative sources of funds will be required; there are major issues relating to the skills agenda including funding for education & research, the ability to resource the necessary skills; and issues related to rules and regulations: simplistically Wales / the UK should examine the impact of European Legislation and adopt those with a positive benefit to Wales and discard those with a negative impact.

There are important trade routes between the UK generally through Wales. Wales should be a facilitator in these routes and improve the port infrastructure. Wales should also should continue to receive suitable funds to offset any losses in the level of current European funds.

- How the Welsh Government should use new taxation and borrowing powers

Response: To invest in the skills and Infrastructure of Wales

- *How evidence is driving Welsh Government priority setting and budget allocations*

Response: It is necessary to develop and maintain the Welsh Infrastructure; ICE would be delighted to see the evidence when available.

- *How the Future Generations Act is influencing policy making.*

Response: ICE Wales Cymru is a strong supporter of the Wellbeing of Future Generations Act and would be delighted to see the evidence when available.



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Notes:

The Institution of Civil Engineers (ICE) was founded in 1818 to ensure professionalism in civil engineering.

It represents 90,000 qualified and student civil engineers in the UK and across the globe and has over 3,600 members in Wales

ICE has long worked with governments 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