

ECONOMY, INFRASTRUCTURE AND SKILLS COMMITTEE
WRITTEN EVIDENCE – STATE OF ROADS IN WALES

Purpose

1. The purpose of this paper is to provide written evidence to the Economy, Infrastructure and Skills Committee for its inquiry into the State of Roads in Wales.

Background

2. At over 1,700 kilometres in length, the motorway and trunk road network is one of our most valuable assets, worth approximately £16 billion. The network supports the delivery of many the objectives in Prosperity for Wales and we are responsible for providing a safe and reliable motorway and trunk road network for the people of Wales. We take this responsibility very seriously and in 2016/17 invested over £155 million in maintenance and minor improvement alone. Even during challenging financial times we continue to operate, maintain and upgrade the network, allowing 10 billion vehicle kilometres of use per year, throughout all seasons.
3. The local road network is the responsibility of local authorities in Wales. It is for each local authority to take decisions as to how to allocate the totality of their resources in line with local priorities. Alongside the unhypothecated funding provided by the Welsh Government through the Revenue Support Grant, authorities also raise funding through council taxes and non domestic rate income. The Welsh Government also provides some specific funding to local authorities through the Road Safety Grant, Safe Routes in Communities Grant, and Local Transport Fund.

The Efficient and Effective Maintenance of the Motorway and Trunk Road Network

4. The management of the network was greatly improved by the transfer of the whole of the planning function into Welsh Government from the Trunk Road Agents in 2015 following completion of the 2014/15 Trunk Road Agent Review. The principles of best practice asset management have been adopted and a new asset management approach aligning network investment to the delivery of Prosperity for Wales objectives will be published in Autumn 2018.
5. The day to day safety and serviceability of the network is maintained by an annual programme of routine maintenance and inspection. Savings of £14.8M to the annual cost of this programme have been delivered by working in the partnership with the Trunk Road Agents, the introduction of new more efficient working practices and the adoption of new technology.
6. Defects with immediate or imminent implications for the safety of the public are addressed within 24 hours. Annual programmes of major maintenance and asset upgrade ensure the long term integrity of the network with investment prioritised across Wales on the basis of need. In 2017/18 we spent approximately £50 million maintaining and upgrading the individual components comprising the network include the road pavement, structures, lighting and drainage. Please note that 2017/18 figures have not yet been audited.
7. The Beast from the East and Storm Emma caused significant disruption to all modes of transport over the winter and we experienced a rapid deterioration in road surface condition due to the freeze thaw cycle across Wales. As a result we have invested over £19 million in this calendar year on resurfacing.

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8. The structural condition and skidding resistance of the network's road pavement (carriageway) is surveyed and reported annually. There was a change in the methodology for calculating the percentage of the network requiring close monitoring of structural condition, which is indicative of the need for maintenance, in the 2015-16 financial year which means individual figures before and after the change are not directly comparable. However trends in the data suggest maintenance strategies have been effective in maintaining the structural condition of the motorway at level similar to that in 2014-15 and indications are that the structural condition of all purpose trunk roads has improved since 2014-15.
9. However there is no cause for complacency. While the percentage of motorway with skidding resistance below investigatory level (indicative of the need for maintenance) remains low, the figure for all purpose trunk roads is on an upward trend; the overall value of the backlog of carriageway maintenance is approximately £83M: the value of the backlog of structures maintenance is currently up around £39M and the number of category 1 defects (i.e. those with immediate or imminent danger to the travelling public) in the carriageway requiring unplanned maintenance, often at peak periods to address, causing congestion and negatively impacting the economy are on an upward trend.
10. Sustained investment in the maintenance of this critical asset is therefore essential going forward to ensure it provides the service necessary to support delivery of the Welsh Government's objectives in Prosperity for All.

Investment in improvements to the existing network

11. A new £24 million pinch point and overtaking opportunity programme, specifically targeted at solving regional issues on the motorway and trunk road network commenced in 2017. In South and North Wales it will address congestion pinch points which at peak periods extend journey times and compromise network reliability and resilience. In Mid Wales it will provide safe overtaking opportunities reducing driver frustration and improving journey time reliability.
12. In 2017/18 approximately £1.6 million was invested in the continued roll-out of part-time 20mph speed limits outside trunk road schools and improving safety for communities following the speed limit review completed in 2015. £1.1 million was also spent over the year mitigating the effects of noise for citizens residing in close proximity to the network and a new programme of measures to ensure the motorway and trunk roads complies with limit values for NO₂ in order to safe guard public health will commence in June.
13. Sustainability is a key consideration in the planning of all improvements to the network. We are currently in the middle of a spend to save programme replacing traditional street lighting with the latest LED technology which will not only save energy costs but reduce our carbon footprint.
14. The Welsh Government received a lot of praise for its innovative Active Travel Design Guide when published in 2013. High speed roads can often act as a barrier to, and

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therefore discourage, active travel. Therefore approximately £1 million a year is spent providing infrastructure across the network facilitating active travel.

Minimising Disruption to the Road User and Improving Network Resilience

15. Work on the network is always carefully planned at off peak periods and often overnight to ensure the least disruption to the travelling public. Embargo periods, when no works are allowed are now tailored to the specific needs of the location. The recent 18 month embargo period on day time works on the A55 is a good example of this approach.
16. Communication with all stakeholders has been greatly improved. The emphasis has changed from static phone lines to proactive social media. Advance information is provided via twitter for all road works and safety initiatives. Currently there are over 36,000 active twitter followers and the aim is to continue to grow this. In addition consultation exercises are being undertaken with wider and more diverse organisations to ensure that the views of everyone are truly taken into account.
17. The Traffic Officer Service is crucial to maintaining the safety and resilience of the A55 in North Wales and the M4 South Wales by dealing with routine incidents such as break downs and supporting the police deal with major incidents. As part of our programme of continuous improvement the service has now been extended to cover all motorways, the southern section of the A470 and the A483 from Posthouse, Chester to the English border at Gledrid, Chirk at minimal cost through shift pattern changes.
18. At the beginning of March this year, when Wales experienced as much snow as Scotland where people were trapped in vehicles for up to 18 hours and more than twice as much as South West England where the army was called in to assist, all the Welsh strategic road network was reopened to traffic within two days and there were no fatalities or serious injuries.

Major improvement schemes and new roads

19. The delivery of major improvement schemes has continued apace, despite challenging budgets. The A55 is our key strategic route in North Wales, providing a vital economic artery to the region. Last year we completed a £42 million programme to bring the tunnels at Conwy, Penmaenbach and Pen y Clip up to current standards. The Abergwyngregyn to Tai'r Meibion Advanced Drainage scheme was also completed.
20. In September 2017, the Cabinet Secretary for Economy and Transport announced the Red Option as the preferred route for the A494/A55/A548 Flintshire Corridor Improvement Scheme. This £250 million project will improve capacity, reliability, journey times and safety. It will also improve connections for businesses and access between residential areas and places of employment.
21. The Caernarfon and Bontnewydd bypass was also recently announced. This is a scheme representing an investment of £135 million into the region, bringing many benefits to the area. It will be a real boost to the region and foster conditions for sustainable economic development and employment opportunities.

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22. We are investing approximately £40 million to upgrade Junctions 15 and 16 on the A55 with grade separated junctions where £26m of ERDF funding has been secured. £15 million of ERDF funding has also been secured for the main Abergwyngregyn to Tai'r Meibion Improvement scheme where construction could commence towards the end of the year. Major infrastructure improvements are being considered to junctions 3-6 on the A483.
23. Other works in North Wales include the acceleration of the completion date for a third Menai crossing, which could commence in late 2020/early 2021. We are working with National Grid to look at any potential opportunities between the North Wales Connection Project and the proposed third crossing utilising the bridge to house National Grid infrastructure in order to cross the Menai Strait. The feasibility study agreement will be funded through the £3 million design and development stage of the third crossing which is part of the two-year budget agreed by the Welsh Government and Plaid Cymru.
24. In Mid Wales, contractors are now two years into construction of the £95 million Newtown Bypass. There has been a strong emphasis on local recruitment, employment and training as part of the scheme. Alun Griffiths Contractors have taken on 13 apprentices as part of their Skills Academy Programme and to date over £21 million has been spent with businesses in Wales providing goods and services. Of that, £6 million has been spent with SMEs based in Wales.
25. We also plan to build a new bridge over the River Dyfi near Machynlleth, and work to develop a proposed Llandeilo transport solution is well underway.
26. £22 million of EU funding has been secured to support delivery of a £35m improvement between Llanddewi Velfrey and Penblewin. Preliminary investigations have also begun to develop further overtaking opportunities along the length of the A40. EU funding has been earmarked for these improvements which, when complete, and combined with already finished improvements such as the A40 Penblewin to Slebech Park and A477 Llanddawror Bypass, will improve accessibility to key employment, community and tourist destinations. They will also improve prosperity of the region and provide better access to the county town of Haverfordwest, the Haven Enterprise Zone and the west Wales ports at Fishguard, Milford Haven and Pembroke Dock.
27. Turning to South Wales, after more than a year, the Public Inquiry into the M4 Corridor around Newport scheme concluded in March. The Public Inquiry has allowed everyone to have their say, both for and against the project, including many of the organisations who have submitted evidence to this Committee inquiry. Once the Inspectors' report has been received, the Welsh Ministers must complete the statutory process by determining whether to make the Orders. In recognition of the importance of this matter to the whole of Wales, we have committed that the Inspectors' report will be open to scrutiny and debate in government time by Assembly Members before a final decision is made whether to enter into contracts for construction.
28. Some consultation respondents make specific reference to this Project and present similar evidence to that they submitted as objectors Public Inquiry. The Welsh Government's response to evidence can be seen using the following link: <http://m4-newport.persona-pi.com/rebuttals>. The Welsh Government's evidence in chief is

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available using the following link: <http://m4-newport.persona-pi.com/1-proofs-of-evidence>.

29. We have an impressive number of schemes which are already proceeding in South Wales, including the ongoing dualling of the A465 Heads of the Valleys road. This flagship project represents an overall investment of £900 million in the economy and infrastructure of South Wales. Section Three, from Brynmawr to Tredegar, opened successfully in 2015.
30. Section Two, from Gilwern to Brynmawr, is a very challenging project, due to topography, traffic management requirements and complex ground conditions. As a result, the Cabinet Secretary for Economy and Transport requested a comprehensive commercial project review be carried out in 2017. In light of this commercial review, the Wales Audit Office has begun a review of the procurement and delivery processes used on the project to date. This review is ongoing and will be reported in due course.
31. Transport officials continue to actively manage the project to identify ways of mitigating the project position. They are also working with the contractor, Costain, using mechanisms in the project agreement, to resolve the issues that are in dispute between the parties. Nevertheless, work on the scheme is continuing at pace, and the project is now about two-thirds complete. We expect Section Two to be complete by the end of 2019. We will not compromise on the scheme we committed to at the Public Inquiry in 2014 which will look spectacular once it is finished.
32. The last two sections, Five and Six, between Dowlais and Hirwaun, are being delivered as a Public Private Partnership using the Mutual Investment Model and will complete the dualling of the A465. A Public Inquiry into Sections Five and Six is currently underway.
33. Further investment in the infrastructure of South Wales is being delivered through projects to refurbish the Brynglas tunnels, Usk River Bridge and Malpas Viaduct, at a cost of over £40 million; and improvements to M4 J28 Tredegar Park roundabout, the A467 Bassaleg roundabout, and the Southern Distributor Road Pont Ebbw roundabout in partnership with Newport City Council. This project, with a construction cost of £13.7 million, will bring this stretch of road up to modern standards, including intelligent signalling which reacts to varying traffic flows in real time. We see the improvement of all three junctions as an important part of our programme for economic regeneration in the area, providing access to jobs, safe reliable journeys and improved resilience.

Local road network

34. According to local authority financial returns, in 2016-17 (the latest for which data is available) authorities spent £200 million on roads maintenance. In February 2018, the Cabinet Secretary for Local Government and Public Services announced an additional £30 million for local authorities to help address problem areas and prevent deterioration of the local network. This new funding was welcomed by the WLGA. The £30 million is a one-off investment, based on an established highway allocation formula.
35. As the response from the WLGA to the Committee's consultation noted, from 2013 to 2015 the Welsh Government provided additional revenue support for local authorities

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through the Local Government Borrowing Initiative to make an additional £172 million investment in improving the condition of their roads. The highway condition information compiled by the Data Cymru shows the decline in the percentage of local authority roads classed as in poor (or “red”) condition.

36. We have also provided funding to a number of local authorities to undertake major improvement schemes on their networks. Last year the First Minister officially opened the Eastern Bay Link Road in Cardiff, which was made possible through £57 million of Welsh Government funding.
37. We awarded the Vale of Glamorgan Council with a £26.26 million grant for improvements to Five Mile Lane and a further £60,000 to enable them to carry out a Stage One Transport Appraisal to explore and develop transport solutions from the A48 Sycamore Cross junction to junction 34 of the M4.
38. At the beginning of this financial year, we announced almost £26 million of funding through our transport grant schemes. The grants are a substantial investment to support local economic growth, improve road safety, enhance public transport facilities and provide more and better routes that enable people in Wales to walk and cycle and to do so safely.
39. We also allocated £2.5 million to local authorities in 2017/18 to offset costs incurred in dealing with snow, including gritting, snow clearance operations and salt purchasing.

Transport finance and planning

40. The National Transport Finance plan was published in July 2015. The plan sets out an ambitious five-year rolling program of transport interventions that we will take forward across Wales. The Plan was updated in December 2017, with an intention to review the Plan on an annual basis to reflect developments over time and the changing profile of need across Wales.
41. We are focused on ensuring value for money and driving efficiency in all transport schemes. The financial envelope within which we have to deliver our Plan remains challenging, with capital budgets remaining under unprecedented pressure we are working harder and smarter to attract new investment and to ensure that capital expenditure delivers the greatest benefits in the most effective way.
42. We are determined to protect and boost our finances with all the levers and powers at our disposal including working with UK Government but also through a range of innovative financing schemes.
43. The review of the current Wales Transport Strategy published in 2008, provides an opportunity to adopt a new approach that places an integrated public transport system at the heart of our strategy. We anticipate the Strategy will be published in 2019 to allow us to consult at key stages of its development and officials are already engaging with the Future Generations Commissioner for Wales on the direction this strategy should take.

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44. We fully support a regional approach to local transport planning. Our Guidance to local authorities with regard to developing their Local Transport Plans allowed them to prepare such document on a joint basis with other transport authorities. Joint local Transport Plans were developed in South West Wales, part of South East Wales, Mid Wales and North Wales.
45. We are working with local authorities in South East Wales to develop a transport model and the intention is to roll out the concept to the rest of Wales. The model looks at current and future demands across all transport modes and links into land use proposals. The output will provide robust evidence on how best our transport system can be improved to support developments such as housing and employment, connect people to services, and address congestion and improve resilience of our infrastructure. The model can also be used to inform future land use planning.
46. We have published the new Welsh Transport Appraisal Guidance (WelTAG) to be used when investigating transport investments within Welsh Government and by partners who receive grant funding from us. WelTAG has been developed to be applied to the development of all transport schemes to ensure they maximise contribution to the well-being of Wales, as set out in the Well-being of Future Generations (Wales) Act 2015, rather than specifically choosing one mode over another.

The Mutual Investment Model

47. The Mutual Investment Model (MIM) is an innovative way to invest in public infrastructure developed in Wales. MIM has been designed by the Welsh Government to finance major capital projects due to a scarcity of capital funding.
48. The MIM will support additional investment in social and economic infrastructure projects and help to improve public services in Wales. MIM schemes will see private partners build and maintain public assets. In return, the Welsh Government will pay a fee to the private partner, which will cover the cost of construction, maintenance and financing the project.
49. This model allows the public sector to share in the profits of the private partner, removes soft services from contracts, and embeds transparency, about costs and performance, and the requirement to review efficiency, effectiveness and performance every two years. It also has important provisions to secure community benefits, sustainable development, where the private partner is obliged to help us in the delivery of the Well-being of Future Generations Act, as well as incorporating our commitment to an ethical employment code.

Historic PFI

50. Successive Welsh Governments have consistently avoided the pitfalls of PFI. As a result of our approach, liabilities relating to this type of scheme in Wales are much lower than in other parts of the UK. The annual average cost per head of PFI schemes in Wales (well under £40) is around a fifth of the cost per head for the UK as a whole (over £160). The capital value per head of PFI schemes in Wales (around £200) is around a fifth of the value per head in the rest of the UK (just under £900).

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51. All authorities responsible for PFI contracts should keep those contracts under review, including considering the case for buying out contracts where that is affordable and would maximise value for money over the remaining life of the contract.
52. Well designed, well planned and well managed partnerships with the private sector to deliver public infrastructure can offer good value for money and ensure much needed assets are delivered a lot sooner than they would otherwise be.

The Wellbeing of Future Generations Act

53. The Wellbeing of Future Generations Act is the central organising principle in our transport planning process and vision. The plan sets out investment in all modes with funds ring-fenced to support different modes and ensuring all modes benefit.