

Agenda – Economy, Infrastructure and Skills Committee

Meeting Venue:

Committee Room 1 – The Senedd

Meeting date: 9 May 2018

Meeting time: 09.00

For further information contact:

Gareth Price

Committee Clerk

0300 200 6565

SeneddEIS@assembly.wales

Private pre-meeting (09.00–09.15)

1 Introductions, apologies, substitutions and declarations of interest

2 Scene setting – Automation and the Welsh Economy

(09.15–10.45)

(Pages 1 – 5)

Professor Calvin Jones, Cardiff Business School, Cardiff University

Leighton Jenkins, Assistant Director, CBI Wales

Matt Fenech, Future Advocacy (Via video-conference)

Catherine Phillips, Senior Corporate Adviser, Business in the Community
Wales (Via video-conference)

Attached Documents:

Research brief – Scene setting

Break (10.45–11.00)



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

3 Precision agriculture – Automation and the Welsh Economy

(11.00–12.00)

(Pages 6 – 11)

Professor Simon Blackmore, Head of Agricultural, Robotics Harper Adams University

Chris Hoskins, SoilQuest Commercial Manager, Agrii

Jason Llewelin, J.Llewelin & Co

Attached Documents:

Research brief – Precision agriculture

4 Paper(s) to note

4.1 Letter from the Chair of the Public Accounts Committee to the Director General – Economy, Skills and Natural Resources Group regarding the UK Government Digital Service

(Pages 12 – 13)

Attached Documents:

EIS(5)–11–18(p1) Letter

4.2 Letter from the Auditor General for Wales to the Chair regarding the State of the Roads inquiry

(Pages 14 – 16)

Attached Documents:

EIS(5)–11–18(p2) Letter

4.3 Letter from the Chair to the Auditor General for Wales regarding the State of the Roads inquiry

(Page 17)

Attached Documents:

EIS(5)-11-18(p3) Letter

5 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting

6 Consideration of draft report – Active Travel (Wales) Act 2013

(12.00–12.15)

(Pages 18 – 74)

Attached Documents:

EIS(5)-11-18(p4) Draft report

7 Feedback on Committee visits to Amazon and Swansea University – Automation and the Welsh Economy

(12.15–12.20)

8 Discussion of the pre-appointment hearing process – National Infrastructure Commission for Wales

(12.20–12.25)

9 Community transport update

(12.25–12.30)

Private de-brief (12.30–12.40)

Agenda Item 2

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Agenda Item 3

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Andrew Slade
Director General – Economy, Skills and Natural
Resources Group
Welsh Government
Cathays Park
Cardiff
CF10 3NQ

25 April 2018

Dear Mr Slade,

Challenges of Digitalisation

Thank you for your response to my letter of 8 March which the Committee considered on 16 April.

The Committee notes the detail in your response about how the Welsh Government is utilising the Government Digital Service (GDS) Digital, Data and Technology (DDat) procurement frameworks. However, we would like more detail on why other Welsh public services are not adopting the more agile approach that the NHS in England, in particular, or the digital sector in UK Government have opted for. We are concerned that many Welsh public services are continuing to follow the traditional large, long-lead-in-time procurement contracts which given the Welsh Government has moved away from, we would have expected the rest of the public sector in Wales to follow.

The Committee found your response to focus solely on the Welsh Government's activities. We would welcome further details on how the Welsh Government is using the digital outcomes and specialists framework, and, in particular, the breakdown of the G-Cloud spending. We would like information on how these apply to the Welsh public sector more generally, rather than just the Welsh Government.



The Digital Outcomes and Specialists framework enables the Welsh public Service to work more dynamically, through actions like seconding in experts. We ask for greater clarity on how this could be utilised across the public sector in Wales.

You are scheduled to attend Public Accounts Committee on 4 June to discuss the Cabinet Secretary for Economy and Transport's Review of the Intra Wales Air link. Depending on the response to this letter, we may also request you to provide oral evidence on this issue at that meeting.

Yours sincerely,

A handwritten signature in black ink that reads "Nick Ramsay". The signature is fluid and cursive, with a long horizontal flourish extending from the end of the name.

Nick Ramsay AM
Chair



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Mr Russell George AM
Chair – Economy, Infrastructure and Skills Committ
National Assembly for Wales
Pierhead Street
Cardiff
CF99 1NA

Reference: HVT2834/caf

Date issued: 24 April 2018

Deu Russell

Committee inquiry – State of Roads in Wales

I have noted the Economy, Infrastructure and Skills (EIS) Committee's plans to undertake an inquiry into the 'State of Roads in Wales'. Wales Audit Office staff and I supported the work of the Public Accounts Committee (PAC) in the fourth Assembly as part of its inquiry into the 'Value for Money of Motorway and Trunk Road Investment'. I am aware that National Assembly research staff involved in that inquiry will be supporting the EIS Committee's work and are well versed in the issues raised which built on my January 2011 report on Major Transport Projects.

The scope of the EIS Committee's inquiry provides an opportunity to follow up many of the issues covered by the PAC's work. For example, the PAC recommended that as part of an ongoing external review of the trunk road agents, the Welsh Government should consider the advantages and disadvantages of establishing a single trunk road agent. The Welsh Government has since explained to the PAC that a trunk road agency review considered that the two agent model (North and South Wales) was the optimum arrangement. However, this was subject to the delivery of £14 million of potential cost savings that had been identified over the 2016-17 and 2017-18 financial years. As at December 2017, we understood that the savings realised in 2016-17 were being independently audited by external consultants, with the trunk road agencies reporting that they were on target to deliver the overall level of savings expected.

I have not undertaken any detailed audit work of my own following up on the issues raised by my 2011 report or the later PAC inquiry. However, I have considered in recent years issues raised in correspondence about a number of road projects. As you are aware, such examples include the increasing costs and extended timetable for completion of the A465 Section 2 and I note that the Committee's press release about the inquiry referred to this project. Similarly, the press release mentioned the A487 Caernarfon to Bontnewydd Bypass. I considered correspondence about the early development of that project in 2014.

In the case of the A465 Section 2, Wales Audit Office staff have completed some preliminary audit enquiries on my behalf to understand better the history of the project and the issues that have affected the costs and timetable. That work has included a recent site visit. At this stage, I have made no firm decision regarding any public reporting on this matter and the form that might take, which may yet require further audit work to examine the history of the project in more detail and I will also look to take account of the views of the PAC. However, I am mindful that the Welsh Government's review of the project is ongoing and that it is working with the contractor (Costain) using mechanisms in the project agreement to resolve the issues in dispute.

Nevertheless, I note the Committee's interest in the Early Contractor Involvement (ECI) approach. While each project will be different, it will be important for the Welsh Government to reflect on any lessons learnt from the application of the ECI approach to the A465 Section 2 given the cost and timetable issues that have arisen. At the time of my 2011 report, the Welsh Government had moved towards ECI as its preferred approach for contracts worth more than £18 million. However, there were still relatively few examples at the time of completed projects in Wales that had applied this approach. There was also mixed evidence from England where a Highways Agency review had concluded that ECI had helped to deliver projects more quickly, with fewer changes to the specification during construction and a higher quality of workmanship. But the evidence in terms of project costs was less conclusive.

Since 2011, and following work undertaken in response to a PAC recommendation, a Welsh Government review in 2015 concluded that there are benefits to early engagement of the supply chain and that lower value contracts could also benefit from early engagement with contractors. The Welsh Government indicated to the PAC that guidance would be amended to emphasise that ECI should be considered for construction contracts independent of value.

Finally, the Committee intends to consider the opportunities offered by the Mutual Investment Model (MIM). The PAC is planning to take evidence later in the summer term on the 21st century schools programme, and I am expecting that it will explore the application of MIM to Band B of the programme. While the policy areas are clearly different, there are likely to be some common themes that the two Committees will be exploring in a similar timeframe. There may be merit in further dialogue about possible lines of enquiry between the respective clerking

teams/researchers and the Wales Audit Office staff who will be supporting the PAC's work.



HUW VAUGHAN THOMAS
AUDITOR GENERAL FOR WALES

cc: Mr Nick Ramsay AM, Chair, Public Accounts Committee

Huw Vaughan Thomas
Auditor General for Wales
24 Cathedral Rd
Cardiff
CF11 9LJ

26 April 2018

Ref: HVT2834/caf

Dear Huw,

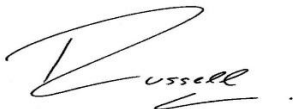
State of Roads in Wales

Thank you for your letter of 24 April, sharing some timely and helpful thoughts ahead of our inquiry in to the State of Roads in Wales.

The Wales Audit Office's 2011 report on Major Transport Projects has been prominent in our early thinking and we will be keen to discover how it, and PAC's subsequent work in the Fourth Assembly have influenced the way the Welsh Government is now working in this area.

I am grateful for all your suggestions and have asked the clerking team to explore how we can share learning with PAC colleagues as we both look at the Mutual Investment Model, albeit in different contexts.

Best wishes,



Russell George

Chair of the Economy, Infrastructure and Skills Committee



Agenda Item 6

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