



A5 Western Transport Corridor (A5 WTC) Public Inquiry

**Additional Information by the Department
at the request of the Commissioner**

18 June 2020

During the Public Inquiry of February and March of 2020 the Commissioner requested additional information from the Department as follows:

- (a) The allocation of funds to the Executive and the Department's budget for the A5WTC scheme within the new Budget period;
- (b) A Review of 'Risk 9' identified in the Department's project Risk Register, in light of the new Budget allocation; and
- (c) Any new findings on the January 2005 2+1 Overtaking Report.

This paper addresses these points in order as follows:

(a) The allocation of funds to the Executive and the Department's budget for the A5WTC scheme within the new Budget period.

The allocation of funds to the Executive

For this budget period, i.e. the 2020/21 financial year, the allocation of capital funds to the NI Executive is £1,549.5m.

The Department's capital budget

The Department for Infrastructure has secured £558.2m of this capital allocation.

These allocations will be ratified through the Budget Bill (No.2) which will come to the Assembly later in the year and will be the legal basis for departmental allocations for 2020-21.

Funding for the A5WTC in the current year

From July 2019 this Department has been in liaison with the Department of Finance with a 3 year anticipated expenditure profile being put forward for progression of the A5WTC from 2020/21 onwards. This was revised in January 2020 when the estimated expenditure for the current financial year was updated to a total of £18.6m (£9.2m Phase 1a + £9.4m other phases).

This forecast would have covered for the most optimistic scenario whereby a favourable Commissioner's Report from the Public Inquiry would be with the Department by the end of June 2020, followed by a favourable decision by the Minister to proceed with the scheme and no subsequent legal challenge. In this scenario, construction of Phase 1a of the scheme (New Buildings to north of Strabane) and Phase 1b (south of Omagh to Ballygawley) could have commenced on the ground in the current financial year.

The Inquiry process however, has taken longer than had originally been anticipated at the start of the year with an additional session scheduled for 11th – 13th March 2020. Further, at the end of the Inquiry proceedings on 13 March, the Commissioner advised that, due to the scope and extent of the issues raised, he would not expect to have his Report completed and with the Department until the end of September 2020. This was some 3 months later than the Department had anticipated at the time of the original expenditure estimate. This in turn meant that it would no longer be possible for construction work to get underway within the 2020/21 calendar and therefore, this year's projected expenditure was subsequently reduced from £18.6m to £3.8m.

The Minister has now considered the DfI budget and has confirmed an allocation of £3.8m to the A5.

While there is currently no allocation beyond this financial year, it can be seen from the official Hansard Report from the Infrastructure Committee meeting of 29 April 2020 on ‘Covid-19 Update and Budget’ that the Minister for the Department, Ms Nichola Mallon MLA remains fully committed to the A5WTC as a flagship project. Specifically, in the second paragraph of Page 3 she states that “*I am fully committed to pushing forward the projects at pace during my tenure, and I am determined to do so.*” The Hansard Report is attached under Appendix A.

Further in the Minister’s 2020/21 Budget Statement of 10 June 2020, she states “*I am keen to improve connectivity and achieve regional balance in investment and to look more strategically beyond the current financial year. Specifically, I have approved budgets for the continuation of works on all the flagship projects, the A5 Western Transport Corridor where I am awaiting the Public Inquiry Inspector’s Report and also the A6.*” This Statement is attached under Appendix B.

(b) A review of Risk Ref. 9 in light of the new Budget allocation.

At the Public Inquiry reference was made to Risk Ref. 9 contained within the Risk Register associated with the A5WTC Outline Business Case dated September 2017.

The description of Risk Ref. 9 within the risk register has been extracted and included below for ease of reference. The full risk register entry for this risk is included in Appendix C.

Risk Ref	Category	Risk
9	Strategic	Lack of commitment by Governments to funding the remaining phases of the scheme to the current phased programme

The original Risk Ref. 9 referred to the “current phased programme” included in the Outline Business Case (OBC). The Project Team reviewed Risk 9 on 9th June 2020. With the OBC phased programme clearly out of date at this point, this latest review focused on a whole scheme completion date of 2028. The result of this review is as shown in Appendix D.

In reaching this result, the Department has drawn in particular on the following references:

1. The commitment to the progression of the A5WTC project by both the UK and Irish Governments is evidenced through the ‘New Decade, New Approach’ document, with particular reference to Page 52 ‘*Turbocharging Infrastructure*’ and Page 59 ‘*Connectivity and Infrastructure*’. These two pages have been extracted and included in Appendix E.
2. The above mentioned commitment by Minister Mallon to the progression of the A5WTC and other flagship projects as expressed and presented to the Committee for Infrastructure on 29 April 2020.
3. The above mentioned 2020/21 Budget Statement from Minister Mallon where she expresses her desire to “*improve connectivity and achieve regional balance in investment and to look more strategically beyond the current financial year*” and expressly approved budgets allowing for the continuation of the A5WTC project.
4. AQW 1100/17-22 in which the Minister’s response alludes to “*potential whole scheme completion in 2028*”
5. AQW 223/17-22 in which the Minister’s response states “*it is considered that the overall completion date for the whole scheme of 2028 remains achievable.*”

6. AQO 345/17-22 in which the Minister's response states *"I look forward to working with the Finance Minister and to further engagement with Executive colleagues and the Irish Government to secure the necessary funding to take this project forward as rapidly as possible."*
7. AQO 242/17-22 in which the Minister's response states *"Whilst the current focus is around the Inquiry and the first phase of the project, I recognise the need for further discussions with Executive colleagues and the British and Irish Governments to secure the necessary funding to complete the whole scheme from New Buildings to Aughnacloy. I look forward to further engagement around funding in particular you can be assured, as soon as my counterpart is appointed in the Dail Eireann. I will be seeking a meeting so that we can work collaboratively across this island to deliver better all island connectivity and economic growth. Improving lives, connecting communities and delivering radical change."*
8. AQO 107/17-22 in which the Minister's response states *"I am committed to improving connectivity by road and rail to enhance our public transport system and improve north-south connectivity. The Executive's Flagships schemes – the A5, A6 and Belfast Transport Hub – along with the York Street Interchange and Narrow Water Bridge schemes are front and centre in the "New Decade, New Approach" agreement. Improving connectivity, both in terms of our road and public transport networks, is vitally important if we, as an Executive, are to grow our economy and improve well-being in line with our aspirations. I want to progress as much as possible in my two year tenure."*

The official records of these Assembly Questions are attached under Appendix F.

By way of further explanation, scores attributed under Probability and Cost Impact (severity) are 1 – 5 and are based on the matrices specified below. Rankings are selected against each criterion and this provides a qualitative risk assessment against each risk.

Rank		Probability (%)	£1,000's (K)			Time Impact (months)
			Min Cost (£)	Most Likely Cost (£)	Max Cost (£)	
0	Nil	0%	0	0	0	0
1	VL	10%	0	250	500	1
2	L	25%	500	750	1000	1-3
3	M	50%	1000	1500	2000	3-6
4	H	75%	2000	3000	4000	6-12
5	VH	90%	4000	7000	10000	>12

Table 1: Probability Rank

SEVERITY CATEGORY	REPUTATION	SHE	Technical	PROGRAMME / BUDGET	COMMERCIAL
5	<ul style="list-style-type: none"> Threat to business survival and the organisation's credibility Catastrophic impact on share price, city loses faith in the company 	<ul style="list-style-type: none"> Multiple fatality. Major environmental incident involving threat to public health or safety, environmental damage and/or pollution Criminal liability. 	<ul style="list-style-type: none"> Design risk of structural/functional failure. Further alternatives must be assessed. Quality of product would damage Client reputation by association. 	<ul style="list-style-type: none"> Budget overrun which impacts on the Clients business Programme overrun that results in penalty points above the termination threshold. Client and Business stakeholder interests severely damaged. 	> £1m
4	<ul style="list-style-type: none"> Threat to future trading and core Client/Business objectives Significant impact on share price 	<ul style="list-style-type: none"> Worker/Public fatality. Environmental incident leading to breach. Criminal liability and compensation costs. 	<ul style="list-style-type: none"> Design risk of structural distress/malfunction. Design alternatives must be assessed. Quality of product/service does not meet core Client requirements. 	<ul style="list-style-type: none"> Significant and non-recoverable impacts in budget spend. Programme overrun that results in activation of the contract penalty/damages mechanism 	£100k - £1m
3	<ul style="list-style-type: none"> Client dissatisfaction and damage to stakeholder relationships Negative effect on share price 	<ul style="list-style-type: none"> Major injury to worker or third party. Sensitive combination of operation and location likely to trigger damage and/or complaint of nuisance. 	<ul style="list-style-type: none"> Design risk is tolerable. Design alternatives need only be investigated if this can be done without any detriment to other design aspects. Quality of product/service does not fulfil all Client requirements. 	<ul style="list-style-type: none"> Minor and recoverable budgetary fluctuations. Minor and recoverable programme overrun that impacts critical path 	£10k - £100k
2	<ul style="list-style-type: none"> Client and stakeholder relationships strained Some negative reporting in city on the company 	<ul style="list-style-type: none"> Minor injury to worker or third party. Environmental impact requiring management response to recover. 	<ul style="list-style-type: none"> Design risk is acceptable. Nor further analysis of design alternatives is necessary. Quality of product/service will result in delayed or inconsistent delivery of Client/Business requirements. 	<ul style="list-style-type: none"> Minor budgetary fluctuations within allowance given by Client Minor delays not impacting on critical path. 	£1k - £10k
1	<ul style="list-style-type: none"> Negligible impact. 	<ul style="list-style-type: none"> Negligible impact. 	<ul style="list-style-type: none"> Negligible impact. 	<ul style="list-style-type: none"> Negligible impact. 	<£1,000

Table 2: Severity Category

In relation to Risk Ref. 9, the Project Team has chosen a Rank of 3 representing a 50% probability of occurrence. With regards Severity, the Team has chosen 5 on costs grounds as when considering inflation alone, any delay will have implications of greater than £1m.

(c) Any new findings on the January 2005 Report.

The Department can advise that it has successfully sourced a copy of the original and full document 'Roads Service Western Division - Overtaking Opportunities Report' of January 2005. This is now included under Appendix G.