

October 12, 2022

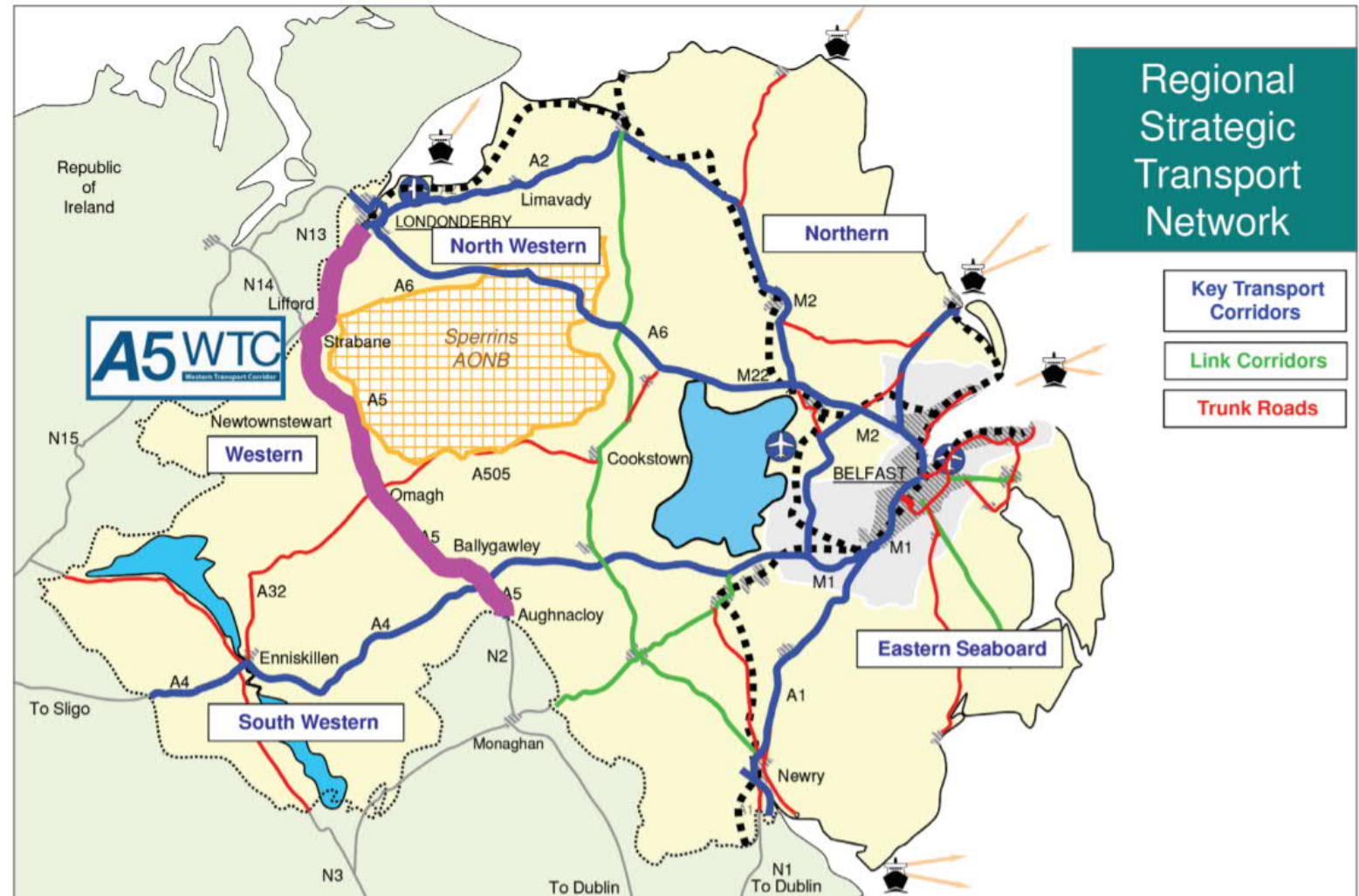


A5 Western Transport Corridor

OBC 2022 Meeting with the Department of Finance

Scheme Overview – Existing A5

- North South Ministerial Council meeting in July 2007 announced availability of funding from Republic of Ireland to help fund major roads programme, including route to the North West.
- A5WTC becomes a Northern Ireland Executive Flagship Scheme.
- Improve links between the urban centres in the west of the province.
- Improve cross border links.
- An enhanced strategic link with international gateways as part of the Trans-European Network.

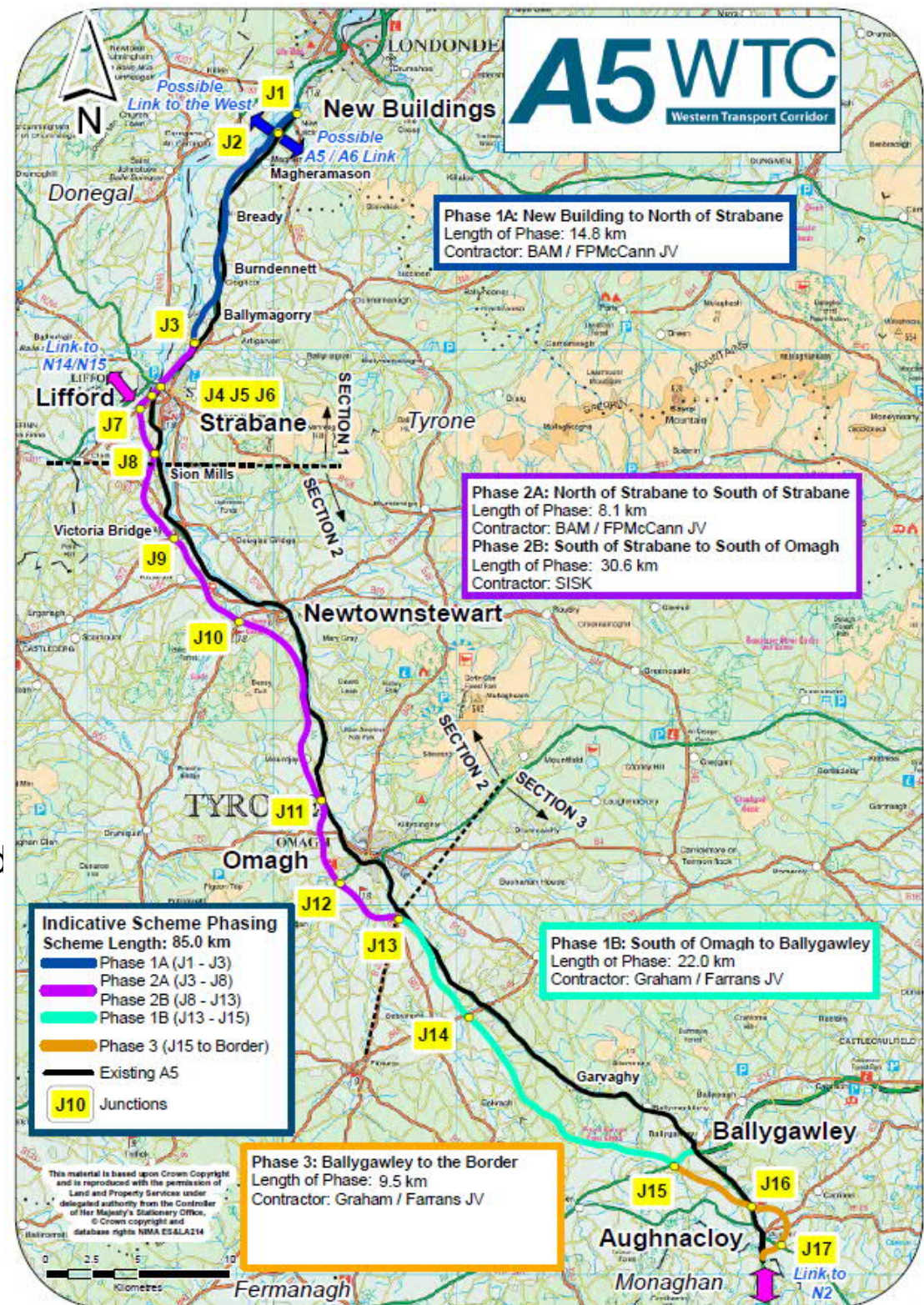


Scheme Overview - Objectives

- To improve road safety;
- To improve the road network in the west of the Province and North / South Links;
- To reduce journey travel times and improve journey time reliability along the A5 Corridor;
- To provide increased overtaking opportunities for motorists along the A5 Corridor; and
- To develop a scheme proposal in light of safety, economic, environmental, integration and accessibility considerations.

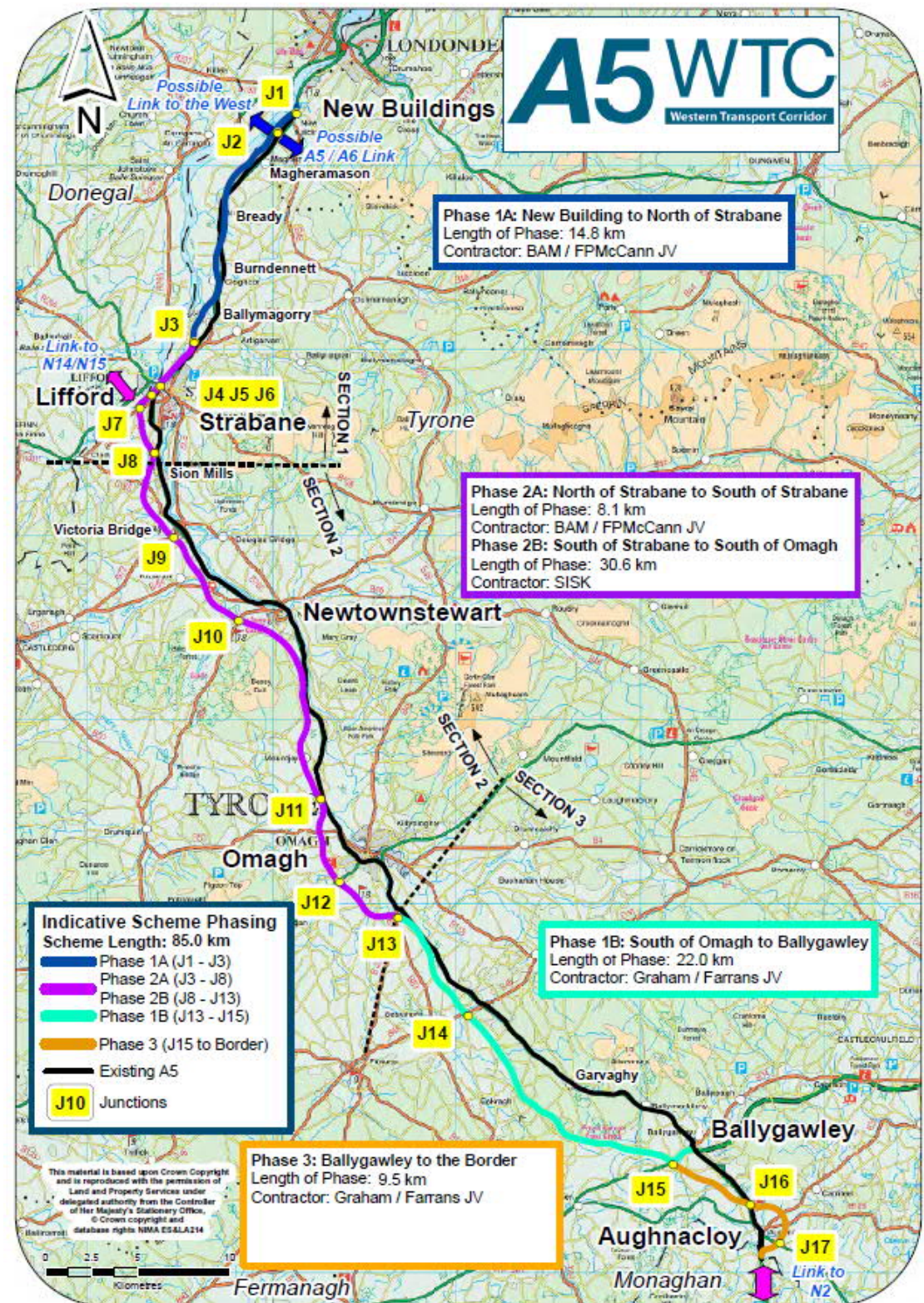
Key Statistics

- 85km of 2 lane dual carriageway and associated wide single 2+1 and wide single carriageways
- 17 Junctions including 11 Grade Separated and 6 Roundabouts
- 100 side roads affected
- 147 Watercourse Crossings
- 63 Structures including 39 overbridges and 24 underbridges for side roads, accommodation structures and watercourses
- 2000 sq km Study Area with 4 SACs, 2 AONBs, 1 SPA and 3 ASSIs.
- 1150 Ha of landtake for construction

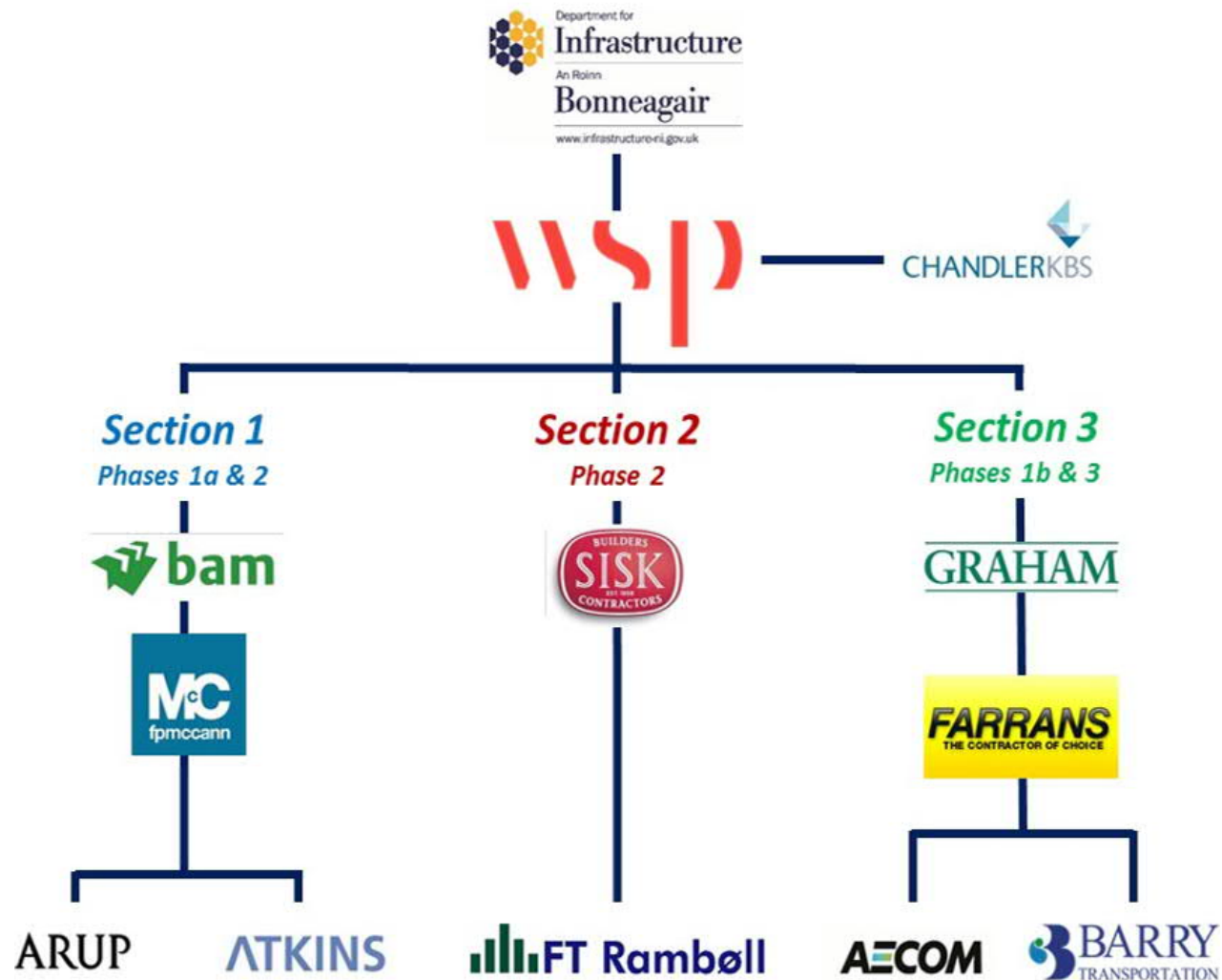


Delivery

- Phase 1A: New Buildings to North of Strabane
 - 14.8km
- Phase 2A: North of Strabane to South of Strabane
 - 8.1km
- Phase 2B: South of Strabane to South of Omagh
 - 30.6km
- Phase 1B: South of Omagh to Ballygawley
 - 22.0km
- Phase 3: Ballygawley to the Border
 - 9.5km



Integrated Delivery Team Structure



6

- 3 No Contractor JVs appointed in December 2009
- Phase 1: NEC3 Option E (Professional Services)
- Phase 2: NEC3 Option C (Target Cost with Activity Schedule)

Scheme Overview – Project History / Timeline

7

2007	NOVEMBER	WSP appointed to take forward the development of scheme – estimated cost of £650 - £850million
2010	NOVEMBER	Draft Orders published. 2100 objections received.
2011	MAY & JUNE	8 week Public Inquiry
2012		First OBC approved 2012
	JULY	Minister decided to proceed with the scheme and Make the Orders (Direction Order, Vesting Order)
	SEPTEMBER	Legal challenge lodged by AA5A Vesting Order for the A5WTC became operative
2013	APRIL	Minister's decision and Orders quashed.
2015	NOVEMBER	"A Fresh Start" reaffirmed the Governments commitment to Progress Phase 1
2016	FEBRUARY	Publication of new Environmental Statement together with a new draft Direction Order and draft Vesting Order
	OCTOBER & DECEMBER	Public Inquiry
2017		Publish Notice of Intention to Proceed Updated OBC approved 2017
	DECEMBER	Legal challenge lodged by the AA5A
2018	NOVEMBER	Department concedes the legal challenge and Orders quashed.
2019	MARCH	Environmental Statement Addendum (ESA) published, 250 objections received
2020	JANUARY	"New Decade New Approach", A5WTC identified as key project under headings Turbocharging Infrastructure and Connectivity and Infrastructure
	FEBRUARY & MARCH	Public Inquiry
2020	SEPTEMBER	Interim Public Inquiry Report received from the Planning Appeals Commission (PAC)
2020	DECEMBER	Submission issued to Minister
2021	MARCH	Publication of PAC Interim Report and Interim Departmental Statement
2022	MARCH	ESA 2022 Published. OBC 2022 under preparation Preparation for reconvening of the Public Inquiry ongoing

Moving forward

- Public Inquiry

- Further public consultation exercise likely (24th October 2022 for 6 weeks).

Information due to be released includes:

- Strategic Context and Policy Report
- Traffic Forecasts Report
- Economic Assessment Report
- Date of PI TBC – anticipated January / February '22
- Final PAC Report expected September/October 2023

Anticipated Construction Dates

- Section 1:
 - Phase 1A : 2024 to 2026
 - Phase 2A : 2025 to 2027
- Section 2:
 - Phase 2B : 2025 to 2028
- Section 3:
 - Phase 1B : 2025 to 2028
 - Phase 3 : 2026 to 2028

9

A5 WTC
Western Transport Corridor

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Status of Outline Business Case - 2017

- Correspondence between the Department of Finance (DoF) and DfI, advising that the OBC 2017 condition of submitting the first Full Business Case by December 2021 (extended) was not going to be met.
- Confirmation at the meeting with DoF on 29 April 2021 that the OBC 2017 was no longer appropriate and needed to be updated to take account of:
 - a. The new phasing dates due to a later start date on site and the associated changes to the traffic and scheme economics; and
 - b. The update to the whole scheme cost estimate.

Outline Business Case - 2022

- OBC 2022 is under preparation –submission anticipated in Oct / Nov.
- Base Model – still 2015.
- No opportunity to update the 2015 base model.
- Present Year Validation was undertaken using 2019 data
- A full review of Uncertainty Log data
- A6 Dualling included – Flow changes are insignificant
- Changes to TAG since June 2017 incorporated
- Road Traffic Forecast (RTF) updated from 2015 to 2018
- RoI growth rates updated to data published as of 2021
- TEMPRO – NI – Current version retained as it is.

OBC 2017 vs OBC 2022

Key items	2017 OBC	2022 OBC
Model Base year	2015	2015
Base Traffic Data	2014-2016	2014-2016
Socio- Economic data	Census 2011	Census 2011
TEMPRO-NI	NTEM 7.2	NTEM 7.2
Development Log	Reviewed - Three Rivers Development included	Reviewed – Three Rivers Removed due to planning status
RTF (LGV / HGV)	2015	2018
TAG	Published prior to July'17	Most up to date versions available at the time of the assessment .
NI Guidelines	Hybrid of NIGEAE / DfT Five case model	Better Business Cases NI Nov'20 / DfT Five case model
Scheme Cost	2017 Q2	2022 Q2
Phase 1A OY	2019	Q4 2026 (2027)
Phase 1B OY	2021	Q1 2028 (2028)
Phase 2 OY	2023	Q4 2027 (2028)
Whole Scheme OY	2028	2028
Scheme Economics	Phase level / Full scheme	Phase level / Full scheme
Accident Data	2011-2015	2015-2019

OBC 2022 – Document Structure

Chapter	OBC 2017	(OBC 2022)
1 (1)	Introduction	Introduction
2 (1)	Outline Business Case	
3 (1)	The Scheme	
4 (2)	The Strategic Case	The Strategic Case
5 (3)	The Economic Case	The Economic Case
6 (4)	The Financial Case	The Financial Case
7 (5)	The Commercial Case	The Commercial Case
8 (6)	The Management Case	The Management Case

Timeline of OBC2022 updates



Emerging Findings - Core Scenario - Initial BCRs (2017 vs 2022)

Core Scenario	2010 Prices discounted to 2010 (£M)		% Change
	OBC 2017	OBC 2022	
Costs & Benefits			
Economic Efficiency Benefits (TUBA)	1051.67	838.44	-20%
Accident Benefits	105.68	124.92	18%
Construction and Maintenance Impact	55.6	24.7	-56%
Carbon Benefits (Greenhouse Gas)	-103.94	-39.91	-62%
Monetised Noise Benefits	4.33	-0.64	-115%
Monetised Air Quality Benefits	9.61	5.27	-45%
Indirect Tax Revenue	63.91	6.92	-89%
Present Value of Benefits (PVB)	1186.84	959.7	-19%
Capital Cost	669.41	807.76	21%
O&M Costs	49.68	58.16	17%
Present Value of Cost (PVC)	719.09	865.92	20%
Net Present Value (NPV)	467.76	93.78	-80%
Benefit to Cost Ratio (BCR)	1.65	1.11	-33%

Emerging Findings - Core Scenario– Initial and Adjusted BCRs (2017 vs 2022)

Initial and Adjusted Benefits	2010 Prices discounted to 2010 (£M)		% Change
	OBC 2017	OBC 2022	
Established Benefits	£1,186.84	£959.70	-19%
Evolving Benefits	£264.11	£208.13	-21%
Adjusted Present Value of Benefits (PVB)	£1,450.95	£1,167.83	-20%
Present Value of Costs (PVC)	£719.09	865.92	20%
Net Present Value (NPV)	£731.86	£301.91	-59%
Adjusted BCR	2.02	1.35	-33%

Value for Money Categories (VfM)

VfM Category	Implied by
Very High	BCR greater than or equal to 4
High	BCR between 2 and 4
Medium	BCR between 1.5 and 2
Low	BCR between 1 and 1.5
Poor	BCR between 0 and 1
Very Poor	BCR less than or equal to 0

Emerging Findings – Initial BCRs and VfM – Low, Core and High Growth Scenario

Initial BCR	2010 Prices discounted to 2010 (£M)		
Costs & Benefits	Low Growth	Core Growth	High Growth
Established Benefits (PVB)	788.4	959.7	1194.7
Present Value of Costs (PVC)	865.9	865.9	865.9
Net Present Value (NPV)	-77.6	93.8	328.8
Initial BCR	0.91	1.11	1.38
Initial VfM	Poor	Low	Low

Based on initial BCR estimates the VfM category ranges from **Poor to Low**

Emerging Findings – Adjusted BCRs and VfM – Low, Core and High Growth Scenario

Adjusted BCR Costs & Benefits	2010 Prices discounted to 2010 (£M)		
	Low Growth	Core Growth	High Growth
Evolving Benefits	188.6	208.1	238.0
Adjusted Present Value of Benefits (PVB)	976.9	1167.8	1432.7
Present Value of Costs (PVC)	865.9	865.9	865.9
Net Present Value (NPV)	111.0	301.9	566.8
Adjusted BCR	1.13	1.35	1.65
Adjusted VfM	Low	Low	Medium

Based on adjusted BCR estimates the VfM category ranges from **Low to Medium**.

At 2017 OBC the adjusted BCR VfM category was **Medium to High**
OBC2017 : Low – 1.56, Core -2.02 and High 2.63

Questions