

# MEETING NOTES

<b>PROJECT</b>	A5 Western Transport Corridor
<b>SUBJECT</b>	OBC 2022 Meeting with Department of Finance
<b>DATE</b>	12 October 2022
<b>VENUE</b>	MS Teams Conference Call
<b>PRESENT</b>	<p><b>Department of Finance (DoF):</b> Barry Armstrong (BA), Roisin Kelly (RK), Emer Rice (ER), Christine Finlay (CF), Tom Flynn (TF), Peter Hueston (PH), Maria McAvoy (MM)</p> <p><b>Department for Infrastructure, Finance Directorate:</b> Kerry Mack (KM)</p> <p><b>Department for Infrastructure, Finance Division (DfI Finance):</b> Michelle Thomson (MT)</p> <p><b>Department for Infrastructure, Roads (DfI Roads):</b> Seamus Keenan (SK), William Kerr (WK), Raymond Glass (RG), Colin Sykes (CS)</p> <p><b>WSP:</b> Andrew Blanch (AB), David Clee (DC), Gokul Gopalakrishnan (GG), Iva Permalloo (IP), Rajan Singh (RS)</p>
<b>APOLOGIES</b>	Mark Devenny (MD), Ryan O'Donnell (RO)
<b>DISTRIBUTION</b>	As above

**ACTIONEE**  
(Due Date org),  
(Revised)

## MATTERS ARISING

1.0 INTRODUCTIONS		
1.1.	DC welcomed all attendees to the meeting and provided a brief introduction highlighting the purpose of the meeting, which is intended to be relatively high level in order to introduce or re-familiarise the Department of Finance (DoF) with the scheme, with a further, more detailed meeting to be scheduled for mid-November post release of the OBC for their review. <i>Post meeting note: timing of follow up meeting slightly delayed due to ongoing OBC updates to address comments recently received. Project team to advise of proposed timing at the earliest opportunity.</i>	-
1.2.	A round of introductions was held at the start of the meeting.	-
1.3.	BA highlighted that the DoF team in attendance is formed of two sub teams which includes a Supply team and an Economists team.	-
2.0 A5 WESTERN TRANSPORT CORRIDOR		
2.1. Scheme Overview		
2.1.1	DC shared a presentation that had been prepared by the delivery team to provide a scheme overview to all attendees, highlighting some of the key benefits and aims of the project.	-
2.1.2	DC summarised the scheme objectives to provide further context and highlighted some of the key project statistics.	-
2.1.3	DC provided an outline of the Integrated delivery team appointed to the project together with the high level phased delivery of the overall scheme.	-

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2.2.	Project History	
2.2.1	SK provided a summary of the key dates within the history of the project since the commencement.	-
2.3.	Moving Forward	
2.3.1	DC provided a brief update of the activities which are currently being progressed in relation to the Public Inquiry and the anticipated key dates.	-
2.3.2	SK highlighted that some discussion at the last public inquiry focused around the business case / economic assessment for the project and while the project team would like to have the new OBC available for the reconvened public inquiry, based on the anticipated timescales, this would likely not be ready in time.	-
<b>3.0</b>	<b>STATUS OF OUTLINE BUSINESS CASE</b>	
3.1.	OBC 2017	
3.1.1	GG provided a high level overview of the status of the OBC 2017 and the timeline of decisions to proceed with the preparation of the OBC 2022.	-
3.2.	OBC 2022	
3.2.1	Document Structure / Updates since 2017	
3.2.1.1	GG provided a high level summary of the approach taken in preparation of the OBC 2022, including details regarding the traffic modelling and subsequent validation exercise undertaken.	-
3.2.1.2	GG highlighted the key differences in the approach to the assessment between the 2017 and the 2022 OBC, including details of the report structure	-
3.2.1.3	TF queried how confident the team are that the 2018 traffic data is a useful base to determine traffic projections. GG highlighted that the approach taken has been to assume pre COVID levels for traffic as there was no guidance available at the time of the forecast model preparation and economic assessment. The whole assessment assumes the traffic levels will get back to pre COVID scenario by the time the whole scheme opens for traffic in 2028.	-
3.2.1.4	TF suggested that it may be worth undertaking sensitivity tests to ensure that the approach taken provides the most robust output with the information available. GG acknowledged this and explained that with the lack of guidance on modelling for post COVID traffic, the team are already looking to undertake sensitivity tests which includes collection of traffic data from this year.	-
3.2.2	Delivery Timescales / Roadmap	
3.2.2.1	GG presented and summarised the timeline of inputs in preparation of the OBC 2022 post decision to proceed with a new OBC.	-
3.2.2.2	GG highlighted that one of the more significant updates following initial DfI Finance division review was an update to the WSCE in recent months to capture costs with a base date of Q2 2022. GG explained that the updates were made due to world events which have had an impact on the industry and led to rising costs.	-
3.2.3	Emerging Findings	
3.2.3.1	GG presented the emerging findings of costs and benefits for the core scenario, and the resultant BCR. GG also highlighted and explained the key changes between the OBC 2017 and OBC 2022 findings.	-
3.2.3.2	TF queried why 2010 prices were being used to present the costs and benefits to inform the BCR. GG advised that the approach to use the 2010 price base aligned with the DfT guidance and is standard practise for business cases. GG also advised that presenting the 2010 discounted prices allows for a comparison to be made against scheme benefits, which considers the same price base.	-

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3.2.3.3	TF queried what has influenced the significant change in carbon benefits between OBC 2017 and OBC 2022. GG advised that the earlier assessment was based on a narrow corridor specific assessment and didn't consider the traffic diversion from the wider region. GG highlighted that the forecast now also takes into account the potential reduction in fuel emissions as a result of greater number of electric vehicles uptake in the forecast years and various other updates to the assessment parameters. It was agreed that the OBC should clearly explain the approach and findings of the GHG assessment.	-
3.2.3.4	MT reiterated that what is presented in terms of the emerging findings is the standard process and format for road schemes and is in accordance with TAG.	-
3.2.3.5	GG provided a summary of the core scenario initial and adjusted BCRs comparing the OBC 2017 and OBC 2022 findings.	-
3.2.3.6	GG presented and summarised the initial BCR findings for the low, core and high growth scenarios highlighting that the resultant Value for Money (VfM) category ranges from low to medium, which differs from the OBC 2017 findings which ranged from medium to high.	-
3.2.3.7	TF highlighted that his observation is that the BCR has reduced significantly over a short period of time, which if the trend was to continue could result in an even lower BCR.	-
3.2.3.8	GG highlighted that the team have undertaken a number of sensitivity tests to understand the impacts of various scenarios to provide greater confidence in findings should there be potential changes which would impact the assessment.	-
3.2.3.9	SK noted that it is also worth highlighting that there have been a number of updates to the parameters used for the valuation of benefits since the development of the 2017 OBC which also influences the assessment and results in a reduced BCR.	-
3.2.3.10	TF highlighted that with a reduced BCR and VfM range it is important to include aspects which aren't necessarily included within the model into the reporting to help strengthen the business case. IP provided an update on what is currently included and reported in terms of non-monetised benefits within the draft OBC 2022.	-
3.2.3.11	MT highlighted that historically projects have been progressed and approved on the basis of a strong BCR alone with little influence from non-monetised benefits. MT advised that the team still need to review and confirm their position on the non-monetised benefits, however agreed that this will form an important factor in the business case.	-
3.2.3.12	WK explained that the funding commitments from Rol need to be stronger which is a narrative that could be made once confirmed.	-
3.2.3.13	TF queried the consultation exercise planned in relation to some of the information which will be presented within the OBC 2022. DC provided a high level summary of the anticipated timescales for the upcoming consultation exercise explaining that there will be three reports which will include a summary of the emerging findings only. TF explained that we just need to be careful in terms of what information will go into the public domain in case any aspects are changed during the review process.	-
3.2.3.14	GG advised that the current proposal is to present numbers for the low, core and high growth scenarios within the reports but include a statement which notes that the numbers will be subject to DoF review and approval procedures. MT advised that the preference would be to present a range rather than exact numbers due to the stage of the OBC 2022 development. GG accepted that a range of values could be presented within the economic reports, however explained that the previous theme reports included numbers, therefore the Department could potentially be criticised by objectors if the same approach is not taken this time round.	-
3.2.3.15	PH queried if the phasing delivery of the project is based on completion of schemes with the highest BCR first, and whether there was potential for more targeted / smaller-scale measures (e.g. improvements to specific junctions or installation of central crash barriers) as a fallback option for sections with the lowest estimated BCR's. DC explained that the scheme delivery has not been based on prioritisation of the highest BCR, however noted that a commitment was previously made to deliver Phase 1A first by Q4 2026, after which	-

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	there is flexibility in how the rest of the phases are delivered. DC also explained that there is a phasing report which outlines the engineering rationale behind the delivery programme.	
3.2.3.16	BA explained that delivery timescales should be realistic including the associated expenditure profiles. BA emphasised that consideration should be given to how much investment can take place on the project in each year, especially given the other large infrastructure schemes which are planned to be delivered nationally during the same period.	-
3.2.3.17	BA suggested that a discussion around funding should be held at higher level between Dfl and DoF.	-
3.2.3.18	WK noted that the legal advice recently received [REDACTED]	-
3.2.3.19	SK acknowledged that a conversation is required at senior level in Dfl and DoF to discuss funding and affordability aspects. SK agreed that he would look to arrange a meeting.	SK (28/10/2022)
3.3.	OBC Approvals / Sign off	
3.3.1	DC noted that a number of the key points have already been discussed, however thought it would also be worthwhile to have a discussion around approval periods for the OBC to factor into the programme.	-
3.3.2	BA advised that the team generally aim to respond to an OBC submission within 20 working days, however explained that this doesn't necessarily mean it will be an approval as this is subject to the outcome of the review. BA advised that without reviewing and understanding the number of comments together with associated actions/updates, it is difficult to provide an exact timescale.	-
3.3.3	TF advised that the introductory meeting has been a very useful first step in the process which helps the review process. TF added that what really helps with the review is having the prior knowledge which has been achieved through the meeting and information presented.	-
3.3.4	TF explained that clear guidance from the Department when the OBC is submitted is also very useful for the review process. MT advised that there would be a cover note prepared and submitted with the OBC 2022.	Dfl (TBC)
3.3.5	RK added that a robust explanation from the economist as to the justification behind the VfM is also crucial and should be included within the cover note.	-
4.0	AOB	
4.1.	DC advised that the project team will arrange another meeting post submission of the OBC 2022.	DC (TBC)
4.2.	A general discussion was held around the importance of reporting on the wider economic benefits particularly with the low VfM category highlighted from the emerging findings.	-

### NEXT MEETING

TBC