



Budget 2020

Highlights for Irish Infrastructure

Matheson

1. Strong Support for Transportation Projects in 2020

Metrolink

The National Transport Authority (NTA) recently confirmed that the Metrolink procuring authority, Transport Infrastructure Ireland (TII), would shortly launch a market consultation on proposed procurement strategies for Metrolink (including potential private finance involvement). TII will assess the market's reaction to its proposals before confirming its strategy.

In November 2019, the final route and consultation report shall be published, followed by a Business Case submission to the Irish Government in Q2 2020 and a planning application in Q3 2020.

This circa €3 billion mostly underground railway has been allocated a portion of a €1 billion Budget 2020 mass transportation envelope (this allocation to be shared with the below BusConnects and Heavy Rail projects).

BusConnects

Dublin's €2.4 billion BusConnects project, which shall deliver new road infrastructure, park and ride facilities, vehicles and significantly altered route designs, shall go to final public consultation in Q1 2020 with a planning application to follow in Q3 2020. The lead procuring authority is the NTA and this project shall share the €1 billion mass transportation envelope for 2020 as noted above.

Heavy Rail

The key upcoming heavy rail project is the DART Expansion, which will electrify 70 kilometres of Dublin region heavy rail lines, ultimately interconnected by a new heavy rail tunnel under central Dublin. Design contracts are currently being procured for the electrification elements of this project. Irish Rail is procuring up to 600 carriages as additional and replacement rolling stock, including 300 new battery electric DART carriages to allow services to be expanded before electrification is complete.

The €1 billion mass transportation envelope for 2020 shall fund electrification preparation and rolling stock procurement (including 41 new diesel intercity rail carriages to enter service in 2021 as a demand satisfaction measure pending completion of electrification).

Roads

A separate €600 million funding envelope for 2020 shall fund new and ongoing roads projects, primarily the projects referenced at item 2 below. The M20 Cork to Limerick motorway is the largest of these projects and the strongest candidate for delivery by PPP.



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2. Status Update on Selected Major Projects

Major ongoing and recently completed projects received a helpful mention, including:

- National Indoor Arena Phase 2 and M11 Gorey-Enniscorthy Motorway in Wexford (both very recently completed);
- N25 New Ross Bypass;
- Ringaskiddy Port Redevelopment (due to be completed in 2020);
- Cork University Hospital Radiation Oncology Unit (being commissioned for 2020 operations);
- TUD Grangegorman Central and East Quad PPP (due to be completed in 2020);
- N4 Collooney to Castlebaldwin in Sligo (construction just commenced);
- N22 Ballyvourney to Macroom in Cork and the N5 Westport to Turlough in Mayo (both due to be commenced at the end of 2019);
- M20 Cork to Limerick Motorway (design contract signed in 2019); and
- Celtic Interconnector between Cork and France (€530 million of EU funding recently confirmed).

3. Continued Emphasis on Social Infrastructure

In housing, €1.1 billion shall support the delivery of over 11,000 new social homes in Ireland in 2020 (a further 12,000 units will be delivered in 2021). Some of these social homes are being delivered by way of PPP.

In justice, €265 million in 2020 will support (with some PPP involvement mooted):

- a new Forensic Science Laboratory;
- a redevelopment and modernisation of Limerick Prison; and
- new Garda offices in Dublin to replace the major central office at Harcourt Square.

In health, €854 million in capital funding in 2020 will support the on-going construction of the National Children's Hospital and capital projects primarily in Primary Care and Community Nursing Units. Community Nursing Units are anticipated to be delivered by way of PPP.



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4. Regulatory and Oversight Reforms

- The **Project Ireland 2040 Delivery Board** has been established. The Board includes the Secretaries General of the main capital spending government departments and will provide strategic direction and leadership to the National Development Plan (“NDP”) and National Planning Framework implementation process.
- The **Infrastructure Projects and Programmes Office** has been established (within the Department of Public Expenditure and Reform) to coordinate reporting on the NDP and drive reforms in areas such as project appraisal and selection.
- An updated version of the **Investment Projects and Programmes Tracker** will be published in autumn 2019.
- The **Construction Sector Group** meets once a quarter, allowing Government and the construction sector representatives to mitigate issues that may affect the delivery of the NDP on a value-for-money basis. The group’s membership and work programme, together with minutes and agendas for all meetings, are published [on this website](#)
- The **Public Spending Code** has been reviewed and updated from a capital expenditure perspective. The initial draft updated Code is due to be published this Autumn and amendments shall include:
 - strengthened and harmonised capital appraisal guidance;
 - greater clarity on governance, roles and responsibilities;
 - new mechanisms to improve the accuracy of cost estimates;
 - revised project life cycle provisions to better reflect the realities of project delivery; and
 - increased transparency through publication of business cases and evaluation reports.

The updated Code will be supplemented by a new governance and assurance process for major projects estimated to cost more than €100 million. This new process will involve an independent, external review of major projects at key stages in the project lifecycle (to come into effect in 2020).

Our outlook for Irish infrastructure remains broadly positive and we are optimistic that the Irish Government’s persistent reform agenda will be good for the sector. We will continue to monitor developments and will keep you updated.