

2 Introduction

2.1 Section overview

This section details the background behind the Belfast Rapid Transit study and the terms of reference upon which it has been structured. An outline of each chapter in the document is provided.

2.2 Background

The Investment Strategy for Northern Ireland (“ISNI”) published in December 2005 contained a reference to the proposed EWAY rapid transit scheme, explaining that this proposal was the preferred pilot for the eventual development of a rapid transit network in Belfast and noted: *“commencement of the pilot is subject to economic appraisal and completion of budgetary and statutory processes. This scheme has the potential to become part of ISNI”*.

The Programme for Government 2008-11, the Investment Strategy for Northern Ireland 2008-2018 and the Budget 2008-11 were published by the Northern Ireland Executive in January 2008. The Programme for Government sets the strategic context for the other two documents.

With regard to rapid transit, the Investment Strategy for Northern Ireland document states: *“We intend to develop a rapid transit system in the Greater Belfast Area to underline further our commitment to public transport. Plans are at an early stage, and indications are that demand could initially support two routes: EWAY running from Dundonald through socially deprived areas at Tullycarnet and Inner East through the City Centre to the Royal Victoria Hospital and beyond into West Belfast; CITI route linking the Titanic Quarter to the city centre and beyond to Queens University and the City Hospital. The potential to lever in private sector funding will also be an important ingredient.”*

The Strategic policy context for the Belfast rapid transit scheme lies with the Regional Development Strategy and the Regional Transportation Strategy. In July 2002 the Northern Ireland Assembly approved the strategic direction and underlying principles of the Regional Transportation Strategy (“RTS”) for Northern Ireland 2002-2012. The RTS includes an indicative sum of £100million for the commencement of a rapid transit network for Belfast and states that it would have the potential to attract private sector funding. The RTS specifies that the development of the network will be taken forward in the context of the Belfast Metropolitan Transport Plan (“BMTP”).

The BMTP, published in November 2004, recognises that the proposal to introduce rapid transit services is a key element in the delivery of a step change in the quality of public transport in the Belfast Metropolitan Area (“BMA”). The BMTP states the pilot stage of a rapid transit network could be implemented within the 2015 Plan period. The BMTP defines rapid transit as follows:

“Rapid transit is a general term for a new type of quality public transport service offering improved speed, reliability, comfort and access features over conventional public transport services. In order to achieve the speed and reliability improvement, services operate (for the least part) on an exclusive or ‘segregated’ route, unaffected by highway congestion.”

The BMTP has considered the role of different forms of public transport in each of the Metropolitan Transport Corridors within the BMA as per the Regional Development Strategy (“RDS”). Along with other UK cities, Belfast is now considering the feasibility of introducing rapid transit in a number of corridors within the Belfast area – East Belfast (“EWAY”), Titanic Quarter (“CITI”), West Belfast (“WWAY”) and South Belfast (“SuperRoute”).

The rapidly evolving plans for the regeneration of The Harbour Estate, led to BMTP recommending that options to progress the CITI Route Scheme are also considered in tandem with the Titanic Quarter development.

Initial concept designs and costs have been developed for a number of routes including EWAY and CITI as well as extensions of EWAY into West Belfast (WWAY) and of CITI southwards to Queens University and Belfast City Hospital. A high level appraisal of these schemes has been undertaken using an updated version (2007) of the Belfast Transportation Model (“BTM”). This report summarises the findings of the appraisal for these four routes.

2.3 Terms of Reference

The Department for Regional Development has engaged Atkins Ltd and KPMG to undertake two studies (the “Project”) in relation to its proposals for a rapid transit network contained in the BMTP. DRD’s requirements are as follows:

- To prepare a public transport appraisal to assess BMTP proposals for the EWAY rapid transit scheme, this will run between Dundonald and Belfast City Centre. It is proposed to utilise an abandoned railway line for part of the route. EWAY was identified as the preferred rapid transit scheme in the BMTP, the results of which would determine whether there is any further role for the rapid transit proposals contained in BMTP.
- To prepare a public transport appraisal to assess the BMTP proposals for a CITI rapid transit service which would link the city centre with the new Titanic Quarter development and the new retail development in the Belfast Harbour estate. BMTP stated that subject to an agreed Masterplan, significant redevelopment may occur in Titanic Quarter that could lead to the promotion of the CITI route as a privately funded rapid transit scheme within the period of the BMTP.

These appraisals are to be presented within a business case that includes an analysis of the investment options for the proposed scheme. This business case must be consistent with guidance from the Department of Finance and Personnel (“DFP”), Department for Transport (“DfT”) and Her Majesty’s Treasury (“HMT”).

The Department has also engaged Atkins Ltd and KPMG to examine the following as extensions to the above studies:

- To prepare a public transport appraisal to assess a rapid transit scheme from the City Centre to Queens University and Belfast City Hospital that links to the CITI and/or EWAY schemes; and
- To prepare a public transport appraisal to assess a rapid transit scheme from the City Centre to West Belfast via the Royal Victoria Hospital linking to the CITI and/or EWAY schemes. Options would be assessed to identify the optimal route choice to final destination building upon the existing proposals for WWAY in BMTP.

2.4 Objectives of this Strategic Outline Case

This Strategic Outline Case (SOC) has been developed by KPMG and Atkins in accordance with Section 8 of the NI Practical Guide to the Green Book issued by DFP. This states that economic appraisals should be presented within a wider business case that includes analysis of other relevant considerations such as financing and procurement. It advocates developing the business case through a number of stages including Strategic, Outline and Full Business Cases.

In addition to the DFP guidance, HM Treasury issued the Value for Money Assessment Guidance in November 2006 to assess projects when PPP/PFI has been identified as a potential procurement route. This guidance stipulates the assessment of Value for Money (VfM) in three distinct stages being:

- **Stage 1 – Programme Level Assessment** to ensure that PFI is only considered for use in those programmes where it is appropriate and is likely to represent good VfM;
- **Stage 2 – Project Level Assessment** requiring an upfront procurement appraisal at Outline Business Case; and
- **Stage 3 – Procurement Level Assessment** which is an ongoing assessment during the procurement phase of a project to ensure that the desired project can be delivered in view of, for example, the competitive interest and market capacity.

This SOC provides an appraisal of the project at Programme Level. The objective of this SOC is to provide a focus for the more detailed analysis required within the Outline Business Case (“OBC”) required for the Project Level assessment of VfM. The report is designed to provide information on strategic need, objectives, options, and key issues at an early stage, in order to provide users and stakeholders with the necessary information required to shape the project. This will assist decision makers to make informed decisions on the relative priorities of a portfolio of projects which may be competing for limited resources and funding.

A key decision will clearly be the preferred option for the route and mode of transport that should be employed for the rapid transit system and this SOC sets out the results of the options appraisal that have been carried out for each scheme. This appraisal assesses each option on a quantitative basis in accordance with WebTAG guidance and on a qualitative basis against the government’s five key objectives for transport, including environment, safety, economy, accessibility and integration.

There will be a number of factors on which this decision will impact that will have to be taken into consideration when evaluating any preferred option. These factors will include the following:

- Whether the preferred option is affordable under the resources that are available;
- Whether the risks inherent in the project are manageable by DRD;
- How to procure the infrastructure for the project; and
- What statutory processes are required to implement the preferred option.

Each of these factors is considered within this SOC in addition to the options appraisal for each scheme.

2.5 Report Structure

In addressing the terms of reference developed for this SOC we have structured the document as follows:

Section	Title	Brief description
1	Executive summary	Summary of SOC options identified and planning for the next steps.
2	Introduction	Detailing the background of the project, its terms of reference, objectives and structure of the report.
3	Strategic Context	Overview of the regional and local policy that underpins the study. This includes a review of the Regional Development Strategy, Regional Transportation Strategy, Belfast Metropolitan Transport Plan, Investment Strategy for Northern Ireland and any other relevant strategies and legislation.
4	Characteristics of Rapid Transit	An overview of the characteristics of rapid transit systems, including both light rail and bus-based solutions as well as examples of other systems from the UK and other countries.
Section A – CITI Scheme		
5	Identification of Needs	An overview of the problems and issues within the study area and the reasons behind the need for the CITI rapid transit scheme.
6	Scheme objectives	An overview of the scheme objectives agreed, through consultation with a number of key stakeholders, for the CITI rapid transit scheme.
7	Options Identification & Initial Appraisal	An outline of the ‘long-list’ of route and technology options considered for the CITI rapid transit scheme as well as an initial high level assessment.
8	Quantitative assessment of options	Outline of the capital and operational costs associated with the short-listed options. An overview of the operational assessment of the short-listed options in the Belfast Transportation Model. Results of the detailed economic appraisal.
9	Qualitative assessment of options	Summary of the qualitative assessment of the options against the 5 Government objectives – Environment, Economy, Safety, Accessibility and Integration. An overview of issues of Distribution & Equity and Practicality & Acceptability.
Section B – EWAY Scheme		
10	Identification of Needs	An overview of the problems and issues within the study area and the reasons behind the need for the EWAY rapid transit scheme.
11	Scheme objectives	An overview of the scheme objectives agreed, through consultation with a number of key stakeholders, for the EWAY rapid transit scheme.
12	Options Identification &	An outline of the ‘long-list’ of route and technology options considered for the EWAY rapid transit scheme as well as an

Section	Title	Brief description
	Initial Appraisal	initial high level assessment.
13	Quantitative assessment of options	Outline of the capital and operational costs associated with the short-listed options. An overview of the operational assessment of the short-listed options in the Belfast Transportation Model. Results of the detailed economic appraisal.
14	Qualitative assessment of options	Summary of the qualitative assessment of the options against the 5 Government objectives – Environment, Economy, Safety, Accessibility and Integration. An overview of issues of Distribution & Equity and Practicality & Acceptability.
Section C – WWAY Scheme		
15	Identification of Needs	An overview of the problems and issues within the study area and the reasons behind the need for the WWAY rapid transit scheme.
16	Scheme objectives	An overview of the scheme objectives agreed, through consultation with a number of key stakeholders, for the WWAY rapid transit scheme.
17	Options Identification & Initial Appraisal	An outline of the ‘long-list’ of route and technology options considered for the WWAY rapid transit scheme as well as an initial high level assessment.
18	Quantitative assessment of options	Outline of the capital and operational costs associated with the short-listed options. An overview of the operational assessment of the short-listed options in the Belfast Transportation Model. Results of the detailed economic appraisal.
19	Qualitative assessment of options	Summary of the qualitative assessment of the options against the 5 Government objectives – Environment, Economy, Safety, Accessibility and Integration. An overview of issues of Distribution & Equity and Practicality & Acceptability.
General		
20	Risk and uncertainties	A review of the risks and uncertainties associated with the project and the adjustment for optimism bias.
21	Procurement Strategy and funding issues	A discussion on the benefits of PPP procurement versus conventional procurement. An overview of the funding options available and drawbacks.
22	Developer Contributions	An overview of the issues that could be faced in seeking contributions for CITI, EWAY & WWAY from private sector developers.
23	Value for Money Assessment (Programme level)	Analysis of the proposed schemes at Programme Level in accordance with the HM Treasury Value for Money Assessment Guidance and DFP (DAO) guidance. This includes the considerations necessary to assess the Viability, Desirability and Achievability of the project in accordance with the VfM guidance and market soundings.

Section	Title	Brief description
24	Affordability and Accounting Treatment	High level discussion on the impact of the Balance Sheet treatment of the Programme on DRD budgets including a preliminary overview.
25	Next Steps & Key Recommendations	Summary of appraisal results including key recommendations and suggestions for the way forward.
26	Glossary	Glossary of abbreviations used in this report.