

Written Ministerial Statement

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Department for Infrastructure

2020-21 BUDGET SETTLEMENT

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Ms Mallon (The Minister for Infrastructure): I want to update the Assembly on the decisions I have taken on the Department for Infrastructure budget for 2020/ 2021. Due to the impact of Covid-19 this has been a difficult process in a context still plagued with uncertainty as we respond to the crisis and take steps towards recovery. The decisions I have taken are to ensure DfI plays its part in responding to this crisis and enabling our safe and speedy recovery from it to a new way of living and working.

RESOURCE

I will focus first on the resource budget. I was allocated a £418m opening resource budget. This is a welcome £33m above last year's opening baseline but, even without the Covid-19 pressures, unfortunately it is insufficient to meet the costs required to deliver our public transport system or to provide adequate water and waste water services. It also does not allow for the level of investment needed in road maintenance and that was recommended independently in the Barton Report and supported by the NIAO Report on Structural Maintenance. There is no secret of the fact that this is mainly due to decisions taken about the DfI budget in 2015.

The financial climate remains very tight in resource budget terms and has been significantly financially compounded by the Covid-19 crisis. This is the case across all departments, however, I am committed to continue supporting our Health and Social Care Service and key workers and to working hard with Executive colleagues to seize the opportunities that this crisis presents to enable a greener, cleaner, recovery towards a new and better normal for all. This requires our community to have a public transport system and a 21st century water and waste water network to serve the growing population and allow for economic growth.

The 2020/21 opening budget settlement does not meet all of my Department's urgent resource needs and so there are still some financial pressures to address in the June Monitoring Round and I am committed to working collectively with Executive colleagues within that process.

If Covid-19 had not arisen, the current Resource budget allocation would still have caused challenges including in maintaining Translink's continuing going concern status, itself a statutory requirement, and NI Water's baseline funding levels. The allocation does not allow for any significant injection of additional funds to invest in enhancing basic services such as routine road maintenance, which means the road network will continue to deteriorate. This is disappointing as I am keen to get the basics right in delivering services that are essential for local communities and in gaining and maintaining public confidence in what we do. This is an aspiration which, I know, many members share.

I will continue to argue for recurring resource baseline additions required to deliver an appropriate roads maintenance service and to put the public transport system on a firm financial footing to meet the changing demands of a modern economically vibrant society. I am pleased to have already received a commitment from Executive colleagues to fund our public transport system in recognition of the crucial economic, social and environmental benefits it delivers, not least as we emerge from lockdown, supporting our town centres, businesses, rural communities and to help transport children safely to and from school.

I am also anxious to ensure that NI Water is adequately funded to meet all of its running cost pressures so that it can concentrate on the important job of developing and investing in the much

needed water and waste water infrastructure, protecting the environment and supporting economic and housing development. I know these issues are priorities for all members and all parties. Clean water is a fundamental right for all citizens. From washing our hands now more often than ever, to delivering more social and affordable homes for our communities, to enabling development to grow our economy, it is a critical public service.

The already challenging resource position has been made worse by the financial impact of the Covid-19 crisis which I am currently seeking to address with Executive colleagues. My Department continues to work to deliver for our communities in the best ways that we can, in these difficult circumstances for all of our citizens.

CAPITAL

I have examined closely the opportunities for capital investment carefully within the context of the Covid-19 crisis, and after returning inescapable flagship surrenders due to Covid-19 as required to the Department for Finance, I am pleased to announce that I am planning to spend approximately £544m this financial year which will make a major contribution to the broader economic recovery particularly within the construction industry. I recognise again that there are uncertainties as we come out of lockdown but I believe that with prudent management and effective monitoring as we go forward this is achievable.

My Department is responsible for the upkeep of existing infrastructure valued in excess of £30bn. I need to balance maintaining and investing in existing infrastructure assets with investing in new projects and infrastructure. There exists already a considerable body of evidence that the Executive is simply not investing enough in maintaining public assets. Despite my budgetary pressures, I will therefore be maintaining the level of investment in structural maintenance – some £75m as in previous years – in rail safety – almost £50m – and in our water and waste water infrastructure – some £150m. They are key in providing an immediate boost to our recovery – maintenance programmes are an important source of work for local businesses and local people and, through their multiplier effects, have a much wider impact in local communities. It is crucial that we ensure work can continue and that we get the basics right for all communities across Northern Ireland.

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. I have also approved commencement of works on site at the Belfast Transport Hub, which will transform public transport across the city and the north, as well as contributing to the wider economic recovery. These Executive priorities will continue to progress at pace laying the foundations for future transformation in connectivity within and across the north and across our island, assisting the economic recovery so urgently needed as we enter the recovery phase. In terms of north-west connectivity and regionally balanced investment I have also made funding available for an updated feasibility study for Phase 3 of the Derry – Coleraine rail line to restart plans on this important connection for the North West and ensure progress is made. I recognise the importance of this project to the people of the North West and while I face severe limitations in my Department's resource budget, I am pleased that with capital investment we can take steps to address regional imbalance in the North West.

I also recognise the importance of investing in the Strategic Road Improvement schemes, many of which are in development, and so I have set aside £8m this year to further progress and develop these schemes. I am keen to ensure these schemes progress and deliver multiple benefits for communities across Northern Ireland, and consistent with my wider priorities, they are future-proofed and help stimulate our green recovery.

With the capital budget available to me, I have taken the opportunity to accelerate my transformation agenda to create new spaces and places where people can enjoy a cleaner, greener way of living and travelling, whether for work or for pleasure. To that end I have added £5m to the already ring-fenced allocation of £25m for Low Emission Buses in Translink in an effort to take further steps towards addressing climate change and making public transport more attractive and efficient as an alternative to private cars.

On Active Travel, my decision to create a Walking and Cycling Champion within my Department is already leading to the identification of collaborative opportunities for investment in infrastructure, with a £20m Blue/Green fund I can now make available, which will act as a catalyst for positive infrastructure

and cultural change in the way we live and travel, building on current initiatives. I am determined that there will be an inclusive approach to determining the deployment of this with a wide range of stakeholders having the opportunity to identify innovative solutions that will transform our communities for the better. This is our chance for change. Change that we can deliver through community, through partnership and together.

As part of this transformation I am determined to make roads safer around our schools by investing £2m to introduce 20 mph speed limits across around 100 school in the north so that parents, children and staff are safer as they go to and from school on a daily basis.

Other transformation investments supporting our green recovery include £4m for Greenway infrastructure, £4m for Park and Ride sites, £8m for investment in low energy LED street lights, £4m for intelligent Transport Systems at our Traffic and Information Control Centre and I am investing £10m over the next two years in the new DVA Test Centre at Hydebank which will be capable of delivering the legally required emissions testing on all vehicles.

My officials are also examining ways of transforming the way we do business through our Digital Strategy with a £2.0m investment within the Department and DVA to enable us to work smarter and work towards a digital approach that uses the most up to date technology to automate and reduce the cost of service delivery, while improving digital access for customers.

In line with my commitment to tackle regional imbalance, the budget for Structural Maintenance will include £10m for a Rural Roads Fund, which will help address the growing problem of potholes which should go some way to improving road standards and safety for all road users. Our rural communities cannot suffer or be left behind.

In summary therefore my budget position is a mixed picture. On the resource side, in line with previous years my Department will struggle to maintain a decent level of service, despite the best endeavours of all involved. Capital, however, offers more opportunities and the decisions that I have taken will help kick start our economic and green recovery from Covid-19.

I look forward to the continued support of all of my Assembly colleagues in delivering these very important infrastructure projects and service improvements to enhance all of our lives as we focus on planning for recovery and a new and better shared future.