
To: Brenda Burke
From: Richard Carson
Date: 2 March 2010
Subject: Coleraine to Derry Track Relay

1. I have read through the SOC on the Coleraine to Derry Track Relay and have also received comments from our economist Peter Johnston. We have raised the following queries.
2. An SOC should include a preliminary assessment of value for money and affordability. We would require further information on how DRD has reached its preliminary assessment of value for money e.g. projected increases in passenger numbers and benchmarking.

Translink have stated that although they do not have the specifics at this time, what they can say is that passenger numbers on this particular stretch have increased from 240k in 2006/07 to 358k in 2008/09. With the advent of new trains two and the subsequent increased frequencies and the potential of a train arriving in Derry by 9.00am Translink would expect to see a further bump upwards. This project comes in two parts. One is a renewal of the infrastructure and the other is a signaling enhancement (including a passing loop) to provide capability with which the new trains two programme will be able to derive benefits.

If the renewal part does not go ahead, the condition of the track will worsen leading to increased TSRs and this will clearly drive patronage down.

3. The SOC states that the expected capital cost is in the region of £75m. Given the tightening fiscal environment since the PID in May 2008, DRD should also provide information on its preliminary assessment of project affordability.

Agreed Capital Plans are set for 2010/11. We are currently looking at capital plans and commitments for the 3 year period beyond 2011/12 in the context of (1) ISNI indicative figures and (2) Planning scenarios as set by DFP

These are being discussed by DRD Finance and the Minister, but no firm conclusions can be drawn as yet.

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