



Northern Ireland  
Assembly

Committee for Infrastructure

# OFFICIAL REPORT (Hansard)

June 2024 In-year Monitoring:  
Department for Infrastructure

26 June 2024

# NORTHERN IRELAND ASSEMBLY

## Committee for Infrastructure

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**Members present for all or part of the proceedings:**

Mrs Deborah Erskine (Chairperson)  
Mr Danny Baker  
Mr Cathal Boylan  
Mr Stephen Dunne  
Mr Mark Durkan  
Mr Andrew McMurray  
Mr Peter McReynolds

**Witnesses:**

Ms Susan Anderson	Department for Infrastructure
Ms Judith Andrews	Department for Infrastructure
Mr Declan McGeown	Department for Infrastructure
Mr Colin Sykes	Department for Infrastructure

**The Chairperson (Mrs Erskine):** We welcome back, from DFI, Declan McGeown, deputy secretary of the water and departmental delivery group; Susan Anderson, director of finance; Judith Andrews, director of public transport operations; and Colin Sykes, director of road asset maintenance. We are glad to have you. The evidence session will be reported by Hansard. We have your presentation and written evidence. As usual, you may make some opening remarks, for around five minutes. Following that, we will move to members' questions.

**Mr Declan McGeown (Department for Infrastructure):** That is what we will do. There will be a short presentation from Susan. You have it in your packs.

**Ms Susan Anderson (Department for Infrastructure):** As Declan has said, I will run through the presentation. Our first slide sets out a bit of a recap on the resource budget. You will recall from the previous sessions that we had identified a requirement of £676.6 million for resource. That was against our budget outcome of £559.5 million. Again, you will recall from the previous session that we have issued the indicative allocations, subject to equality considerations. That is the basis against which we have set and assessed the June monitoring bids.

The next slide shows the priority order of the bids that we submitted as part of June monitoring. Public liability, roads drainage and public-private partnership (PPP) contracts are contractual statutory obligations. That is why they are ranked as the top three priorities. We have made a forecast for what, we think, may be an increase in public liability claims. If they come true, we will be statutorily obliged to pay those out. It is similar for roads drainage, for which we have a baseline of just under £30 million. The slide shows the pressure to reflect the inflationary uplift. With the PPP contracts, there is a baseline of £55.5 million. The slide shows the pressure assessed against that. The fourth priority is

essential maintenance. We have put in a bid there for £10 million. That is a scalable bid. By that, we mean that we could take anything up to £10 million and use it to address essential maintenance, depending on the outcome. For example, if we got £1 million, we could look at a package of £1 million and use it to supplement our limited service for this year. Priority five is a confidential bid, so we cannot talk about it in open session. However, members have been provided with details of it in previous written evidence. We have submitted bids of £10 million each for NI Water and Translink, and, again, they are scalable. There are, therefore, amounts up to £10 million for each. Finally, we have submitted a bid for winter service. We have a baseline budget of £4 million for winter service. We reckon that an average service costs about £7 million, so the bid of £3.1 million is to bring us up to £7 million.

The next slide sets out the capital budget. Originally, as part of the Budget process, we submitted bids of £1.12 billion, and our capital budget outcome was £820 million. Just under £200 million of that — £188.9 million — is earmarked, and £631 million is the general allocation. You will know that the general allocation is where a Minister has discretion to allocate. Fifty per cent of that general allocation is going to NI Water, 24% is going to Translink and 26% is going to the Department. We have over-planned by about 4%, which is £26.2 million. Again, you will be aware that we have issued the indicative capital allocations, which remain subject to equality considerations and the process that we are going through. That is the basis against which we have assessed the June monitoring bids.

The next slide sets out our June monitoring bids for capital. Again, over-planning is the top priority bid because we have already allocated that as part of the indicative allocations. Therefore, that needs to be funded, or else we need to try to pull back some of the allocations that we have already issued. The second priority is bridge strengthening, which is, clearly, a health and safety issue. The next few bids are scalable. We could bid for up to £50 million for structural maintenance. Again, we would adapt our plans according to the outcome. It is the same for Translink, for which the bid is £40 million, and NI Water, for which it is £27 million. We also have a few invest-to-save-type bids: for example, the upgrade to traffic signalling — moving from halogen to LED signals — for which there is a bid of £3 million; LED retrofitting of street lighting; and street lighting columns. They remain scalable bids. A total of £170.4 million has been submitted as part of June monitoring.

Finally, I will talk about next steps. We launched the equality impact assessment consultation on 11 June. As I described last time, that will run for four weeks and enable us to put some final decisions, as well as any early mitigations, to the Minister for consideration, depending on what responses we get back. After the four-week period, which will end on 9 July, we will still take in, consider and assess any responses, and they will be used to inform any further mitigation measures that we need to look at and any additional funding that is received in-year.

That brings us to the end of the short presentation. I am happy to take questions.

**The Chairperson (Mrs Erskine):** Thank you. We appreciate that.

I will start with your next steps. If you have seen the Infrastructure Committee in the past wee while, it will come as no surprise to you that we were quite disappointed that the Committee did not have sight of the equality impact assessment before it was published. As you will know, the Committee has a remit to scrutinise key documents that come out of the Department for Infrastructure. Equality impact assessments and measures that are put out affect our constituents, and they affect us — we are members of the public — so it is important that we see documents such as that. I have asked, including in Committee sessions, where cost savings will be made. In other budget sessions, we have had tables of where cost savings could likely be made. Can you point to why the Committee did not have sight of the equality impact assessment beforehand?

**Mr McGeown:** Yes, Chair. I will start with an apology that you did not get to see the equality impact assessment before it was launched. Members will remember, from when I was here on 29 May, that there was still a degree of uncertainty about the process, not least about whether we could launch the consultation. A lot of deliberation had to go on over the weeks that followed to make sure that we could develop the document. We got acknowledgement on 10 June that we could go out to public consultation. In order to maximise the feedback that we would get through the consultation, we thought that it was important to get it out as quickly as possible, which is why it went out the next day. However, we fully accept that the Committee did not get to see it in that time frame, and we apologise for that.

**The Chairperson (Mrs Erskine):** There is the question of Assembly procedures, not only for the public but for us as a Committee. You were told on 10 June — fair enough — but the Committee was

not given any indication before the consultation was published. The Committee saw it at exactly the same time as any other group with which we, as local MLAs, are in contact, such as Community Transport and Translink. I just do not want that scenario to pop up again.

**Mr McGeown:** Absolutely. I reinforce the apology. If you look over the past few years, you will see that it is not the Department's habit to do that. We do not normally do it. We normally come early and as often as needs be. It was a one-off for us, but we apologise for that and for the knock-on effect that it has caused, particularly for you in your constituencies.

**The Chairperson (Mrs Erskine):** OK.

I have heard in the evidence session today, and I see from the written evidence, that the Department notes that a number of the bids are scalable. Does indicating that bids are scalable suggest that they are not essential and are therefore, in the current fiscal climate, less likely to be met? Needs such as roads maintenance come under the bids that, you say, are scalable. There is a massive difference between the projects that you can do with £10 million and those that you can do with £1 million.

**Mr McGeown:** What you have in front of you is what we see as our priority bids. They are all important, every one of them. We are working on the basis of previous form, so to speak, insofar as you do not always get what you ask for. We, as a Department, certainly have not done so, as you will see from our track record. We have therefore said that we would like to get what is set out in your pack but that, if we do not, we will scale it accordingly. We would prefer to get it all, if we can, but, in all likelihood, that will not happen because of competing priorities in other Departments. We had to adopt a prudent approach whereby we would be ready, if needs be, to scale it down. That is the process. It is not that those projects are less important or anything like that; they are our priority areas.

**The Chairperson (Mrs Erskine):** I fully get that, because there are competing priorities in other Departments. However, are we not setting out our stall? Let us be honest: we have to look after our own interests in our Department. There are a lot of pressures and priorities in our Department. Look at the NI Water overflows and the money that is attached, which we talked about just this morning. We have pollution incidents. We have poor road infrastructure. We are paying more money out for liability claims than we are on trying to fix the roads. Should we not be more definite in saying, "We have pressures here. This is what we need"?

**Mr McGeown:** You will see in any communication from the Minister, be it on the Floor the Assembly or in bilateral engagement with other Ministers, that he has been very clear that we, as a Department, have been underfunded for a considerable period and that there are consequences to that. He has urged continuously — indeed, he has done it in correspondence — that we need more money. This is taking a more prudent approach and understanding the game that we are in, basically, insofar as, "There is not enough to go around. How do we maximise the impact for our Department?". The Minister has very much been on the front foot. Certainly, I have been with him when he has made the case. You will see how he has done that on the Floor of the Assembly in response to questions for oral answer and suchlike.

**The Chairperson (Mrs Erskine):** A bid of £10 million has been submitted for essential road maintenance. It seems that we are conceding that that is unlikely to be met. What is the categorisation of the bid, as per Department of Finance guidance: "Legal or Contractual Commitments", "Executive Pre-commitments", "Highest Priority" or "Desirable"?

**Mr McGeown:** We are not conceding that we will not get it; we are hopeful that we will get it. However, we have followed the inescapables to compose this list. We have determined that these are inescapables — things that we must fund — and they have been bid for accordingly. We hope that, with a fair wind, we will get them. We go in optimistic and hopeful, but, if it does not happen, we will scale back. However, they are our priorities by way of inescapables.

**The Chairperson (Mrs Erskine):** Have you any specific detail on the area of spend identified for each of the bids in NI Water and Translink and how those are scalable?

**Mr McGeown:** For Northern Ireland Water, as you know, we have given an indicative allocation of £137 million. Northern Ireland Water has suggested that it needs closer to £170 million. We have made a bid of £10 million to try to take that figure closer to £150 million. We continue to work with Northern Ireland Water. The Minister wrote to Northern Ireland Water to ask that it looks at how it

could cut its cloth to fit within the £137 million. We await a response. Once we have that, we will have a clearer line of sight on what is doable and what is not. Northern Ireland Water is working through that. We have said, as we have on capital, that we are happy to work with Northern Ireland Water. This is basically trying to get more for Northern Ireland Water, rather than anything specific. It is not £10 million for x, y or z; this is just to try to — "top up" is not the right term — increase the budget. I suspect that the same is true for Translink.

**Ms Judith Andrews (Department for Infrastructure):** I can give you an update on Translink. Translink has been allocated nearly £146 million this year for resource. However, in drawing up its corporate plan for the year, Translink's ask for delivering services is £172 million, so there is a shortfall of about £26 million. Costs are increasing across the board for Translink. I know that inflation has kicked in, but some of the parts they buy for trains and buses are hitting rates of inflation that are higher than the consumer price index. Translink has pressures in costs for staff, energy, fuel and materials for running the business.

**The Chairperson (Mrs Erskine):** OK. What will be the impact on Translink of not being able to maintain a minimum cash reserve, if the bid is not met?

**Ms Andrews:** The impact is that Translink's cash position is under threat. In projections for the year, there is a substantial shortfall. Under its Treasury management policy, as set out by Treasury advisers, Translink keeps a cash limit of £30 million. That is an independent assessment of what constitutes going concern for them. Based on the current funding, there will be a shortfall of at least more than £10 million. Again, it is early days to try to work that out. That is a reason for the bid being up to £10 million. It is also up to £10 million because, as Declan set out, you do not always get what you ask for. Any money that is available will help with that. We will continue to work with Translink through the year to monitor that position, but it will be a very challenging financial environment for Translink this year.

**The Chairperson (Mrs Erskine):** Recently, I have asked questions about bridges, bridge strengthening, how that is assessed and all that. I am interested in the £1.8 million. Is that for specific projects?

**Mr Colin Sykes (Department for Infrastructure):** Yes. It is for a number of projects. There is general bridge strengthening, which covers the overall programme where we have identified issues with particular bridges that need to be fixed. That bid would enable a couple of particular things to go forward. One is the intervention measures on the Westlink bridges, which are there to prevent anybody getting access up and over the parapets of the bridges across the Westlink, where there is an ongoing issue with potential suicides and things like that. The other specific bridge is in Cookstown. There is a bridge there that needs to be strengthened. Around £600,000 of it would go towards progressing that scheme.

**The Chairperson (Mrs Erskine):** OK. Cathal, I will come to you.

**Mr Durkan:** Sorry, Chair. I have to go now.

**The Chairperson (Mrs Erskine):** Do you want to ask your question quickly before you go?

**Mr Durkan:** It is just a quick supplementary question based on the answer on the Translink reserve in particular. We might not get that £10 million in one go to top up Translink's cash reserves to the legal level, so you could be back with the bowl at the next monitoring round as well. The budget settlement that Translink has received this year is below what its expectation or hope had been. Will we just be here again next year? There is a hole in the bowl, effectively.

**Ms Andrews:** Well, there is, but we will work with Translink through the year. There are different levers that it can pull or push to try to control costs, too. At the moment, Translink is not indicating any impact on service as such, but that could be the outcome. Things like salary costs are still to be determined. Again, it is about keeping an eye on the impact of inflation on things like fuel and energy. This is the best estimate at this particular time, but we will work closely with Translink on that throughout the year.

**Mr Durkan:** While we are topping up the reserves, it is being forced back into them.

Sorry, I have to get on. Thank you.

**The Chairperson (Mrs Erskine):** Just before I come to some of you for questions, members, remember to be mindful of paragraphs 15 and 16 of the Clerk's memo, at page 61, on the confidential bid. Be careful with questions that relate to that.

**Mr Boylan:** I will bear that in mind, Chair.

I have a couple of questions. You may or may not be able to answer this one: can you expand on the bid for over-planning?

**Ms Anderson:** Yes. As part of the initial budget considerations, it is always prudent to plan to go for a bit more than what we have in the budget allocation. We know two things: schemes could slip — maybe they do not progress as quickly as we anticipate at the start of the year — or we could get additional funding. On that basis, we have always, historically, over-planned on our capital budget — only on capital, not on resource. We have actually allocated out more budget than what we have on the basis that that may happen. If that does not happen, we have bid for it, so we are actually trying to bid for the shortfall that we have already allocated. It would not allow us to do more things on top of the indicative allocations, but it would allow us to deliver everything that we plan to at the moment.

**Mr Boylan:** You may or may not know the answer to this: are you aware of reduced requirements across all Departments or just your own?

**Ms Anderson:** No, we would not have that information.

**Mr Boylan:** There is no conversation. OK. Thank you.

**The Chairperson (Mrs Erskine):** Members, does anybody else have any questions right now? No. OK, I will ask another one, then. The public liability bid for the expected increase in claims relates solely to claims arising from the condition of the road network. I have asked this before: why do we not set out our stall and say, "That money needs to go there", rather than spending so much more on public liability claims? Will the £1.5 million bid for public liability still be required if the bid for essential maintenance is fully met?

**Mr McGeown:** I will make a general comment and then ask Colin to answer. The road network is so vast — it is 26,000 kilometres, I think — and, therefore, to have it all as you would want it to be will be cost-prohibitive. There will always be a risk that part of the road will cause damage and, therefore, an accident will happen. It is a cost. The opportunity cost of paying the claims is that that money could have been directed towards the road network, but that is just the world we are in. We cannot be completely certain that all the roads across Northern Ireland are perfect, because we do not have the funding for that. That is why we always make that provision.

**Mr Sykes:** The overall amount of money that is spent on claims is made up of a number of elements. There are vehicle damage claims, which are low value; for example, if someone damages a wheel or part of their vehicle when they hit a pothole. Without doubt, the number of those claims is increasing; it has doubled compared with other years. However, a much larger element of why the claims costs are going up is the revaluation of public injury. A new set of guidelines has been brought out and is used to assess the compensation that is paid in association with injury. They are being valued at anything between 20% and 40% more than they used to be. There is an overall increase in that. There is also an overall increase in solicitors' fees for public liability claims, which is why we are seeing a larger increase across those claims. Without doubt, better maintenance of the road network will help, but it is likely to bring down the lower-value, vehicle-damage claims. As Declan said, there have always been personal injury claims on the road network, and those are, by far, the more costly element of the budget.

**The Chairperson (Mrs Erskine):** Yes. You have talked about those being valued at 20% to 40% more. How can we save money by improving our footpaths, doing road maintenance and things like that? Yes, I accept that there will always be claims — and there is nothing you can do about the fact that they are being valued at 20% or 40% more — but prevention is better than cure. I want to see more money being used to fix the problem rather than us continually having to pay out for the public liability claims because of the poor condition of footpaths and roads. It seems counterproductive.

**Mr Dunne:** I echo the Chair's comments. The condition of our roads and footpaths is a huge frustration. Colin mentioned that the costs have doubled, which is alarming. It is about the time and effort that it takes for the Department to process the administration of the claims as well as the pure financial cost of them. You and other senior officials also talk regularly to us about the challenges with recruitment and resources. That cannot be lost when discussing this very important issue. Prevention is better than cure. I welcome the £10 million bid for essential maintenance. It is on everybody's lips outside — it is a number-one priority — and, hopefully, we will see some fruits from that. I appreciate you taking the time to come today.

**The Chairperson (Mrs Erskine):** Can I check the detail of the projects that will be undertaken if the £27 million bid for NI Water is successful?

**Mr McGeown:** Again, as you know, we made an indicative allocation of £323 million. Northern Ireland Water saw the figure for its needs this year as closer to £470 million. Northern Ireland Water has batched the work and prioritised essential repairs and contractual commitments in the first batches. We will continue to work with Northern Ireland Water. Indeed, there will be a meeting later this week between our team and Northern Ireland Water to look at how we can work with what we have. Northern Ireland Water creates batches and says, "If more money becomes available, here is extra work that we can do". That is the way we will work with Northern Ireland Water, but the priority services will all be paid for first. That is where the focus will be, and, then, on top of that, we will look at what else is achievable with whatever we get.

**The Chairperson (Mrs Erskine):** OK. This is not solely related to the June monitoring round, so I apologise in advance, but you are before the Committee today and I just want to put it to you. Obviously, you will be aware of what is happening in relation to Lough Neagh. The Agriculture Minister said on the BBC 'Spotlight' programme that he is looking at the statement of regulatory principles and intent (SORPI) arrangements. We have written to the Minister to ask about that. There could be a financial risk to NI Water if those arrangements were to change. Are you keeping mindful of that situation for NI Water?

**Mr McGeown:** We absolutely are. The environmental impacts, particularly safe drinking water, are a primary focus for us, and we are always alive to any risk there. We continue to work, and that is why, as I say, the focus has been on essential services being paid for first and making sure that we provide for that, including by making sure that we have safe drinking water and that the waste water treatment works work as effectively as possible. All of that is happening. If there are changes to the SORPI arrangements — we continue to work with the Department of Agriculture, Environment and Rural Affairs on that — we will look at those and see what the implications will be. I do not work in Northern Ireland Water, but my sense is that, if those arrangements change, there will be even more need to focus on the priority essential services to make sure that there is not pollution and things like that. Northern Ireland Water does that very well right now. It needs to continue to do that and make sure that resources are targeted to it.

**The Chairperson (Mrs Erskine):** Members, are there any more questions? No. I look forward to seeing the responses to the consultation. We will, no doubt, see you again —

**Mr McGeown:** We are regulars.

**The Chairperson (Mrs Erskine):** — in September or thereafter; once we are back after recess. Thank you very much for your time today. We really appreciate it.