Ms. Éilis Fallon  
Committee Secretariat  
Committee of Public Accounts  
Leinster House  
Dublin 2  

9th December 2019  

Your Ref: PAC32-I-1691

Dear Ms. Fallon,

I refer to your letter dated the 21st November 2019, regarding the issues which were raised at the Committee meeting on Thursday 14th of November in relation to a call by Irish Rail for a consultancy to develop a commercial business case to secure support for Dart Expansion.

Please find attached the requested information note in relation to the following:

1) The circumstances which required the development of a new business plan; and
2) Internal agency expertise for the preparation of commercial business cases.

Yours Sincerely,

Ailish Neville  
Private Secretary to the Secretary General
Information Note on the preparation of a business case for the DART Expansion Programme

The overall DART Expansion Programme is intended to include electrified DART services to Drogheda on the Northern Line, Celbridge on the Kildare Line, Maynooth on the Sligo line, in addition to enhanced DART services along the South East Line to Greystones. The overall planned DART Expansion Programme also includes the DART Underground, a tunnel connecting from the Kildare line at Inchicore to the Northern Line at East Wall.

In mid-2010, Irish Rail concluded the DART Underground Business Case, which was prepared to support a Railway Order application to An Bord Pleanala for the DART Underground project. That railway order application was made in June of 2010 and was subsequently granted by An Bord Pleanala in December 2011.

However, the granted approval was subsequently subject to a number of judicial review challenges. These culminated in a Court order in March 2014 identifying that the time period permitted under the Railway Order for compulsory acquisition of the lands required for the project was “ultra vires”, and the court substituted a shortened period in the scheme approval.

Following the Court order, the Irish Rail undertook, in collaboration with the NTA, an updated business case which assessed the DART Underground project on its own, which was the approved project under the Railway Order process, together with an assessment of the wider DART Expansion Programme (which includes the tunnel project but also the expanded network.)

That assessment was concluded in 2015 and identified that while there was a strong economic case for the DART Expansion Programme, with a Benefit to Cost Ratio of 1.4 : 1, the case for the DART Underground project without the other elements of the DART Expansion Programme is not as strong. With a cost of approximately €3 billion for the DART Underground scheme on its own, which was the project approved under the Railway Order, the benefits generated by the scheme would be less than its overall cost – the Benefit to Cost Ratio for the tunnel was calculated to be 0.8 : 1.

The work undertaken in 2014/2015 identified that the main benefits of the DART Expansion Programme are derived from the DART extensions on the Northern Line, Kildare Line and Maynooth Line, and not from the DART Underground tunnel element. This position was reflected in the National Development Plan 2018-2027 (NDP) which provides €2 billion for the DART Expansion Programme and states the following:

"The initial sequencing of investment will focus on delivery of non-underground tunnel elements of the programme using the recently opened rail link and existing connector tunnel under the Phoenix Park. This includes buying additional fleet for the DART network and measures such as re-signalling, junction and station changes to provide expanded services. The next step will be to provide fast, high-frequency electrified services to Drogheda on the Northern Line, Celbridge/Hazelhatch on the Kildare Line, Maynooth and M3 Parkway on the Maynooth/Sligo Line, while continuing to provide DART services on the South-Eastern Line as far south as Greystones. It will also include new stations to provide interchange with bus, LUAS and Metro networks."
The significant benefit to using the recently opened rail link and existing connector tunnel under the Phoenix Park and the proposed sequence of investment, is that it will enable additional passenger services to be put in place much earlier using existing infrastructure with some enhancements. This integrated rail network will provide a core, high-capacity transit system for the region and will deliver a very substantial increase in peak-hour capacity on all lines from Drogheda, Maynooth, Celbridge/Hazelhatch and Greystones. The route for the remaining element of the overall DART Expansion Programme, the DART Underground Tunnel, will be established and protected to allow for its future delivery.”

It is also worth reiterating that since the initial Railway Order application for the DART Underground project and the business case work in 2014/2015, the Phoenix Park Tunnel was opened for passenger service in 2017. The Phoenix Park Tunnel link connects the Kildare Line to Connolly Station and onwards to Tara, Pearse and stations further south.

Given what is now planned to be delivered under the NDP – the elements of DART Expansion Programme minus the DART Underground tunnel – a business case must be available which assesses this project package and allows informed final decisions on the planned proposals. No business case has been prepared to date for this package – all other business cases were either for the tunnel only or for the full DART Expansion Programme inclusive of the tunnel. Accordingly, and in line with the Public Spending Code, a comprehensive business case has to be prepared for the non-tunnel elements of the DART Expansion Programme.

It is also worth noting that several factors have changed in the last few years which would have required revisiting a business case had it been prepared previously. Project 2040 - the National Planning Framework – has been published, which alters population predictions and distribution from earlier policies. In addition, the Phoenix Park Tunnel link has been opened for passenger train services, which alters the comparative position from what would have been evaluated earlier.

In relation to the point about internal expertise for the preparation of business cases, it is necessary to consider the complexity of business cases for large infrastructure projects. These projects are inherently complex with multiple variables affecting their evaluation. It requires a multi-skilled team, encompassing transport modellers, economists, cost specialists, property valuers, procurement strategists, risk analysts and others, to properly prepare a business case for a large infrastructure project. It is difficult for any single organisation undertaking large projects on an intermittent basis, to permanently engage and retain all of these required specialisms. For that reason, it is more usual to contract in the specialist services when required. This also provides the additional benefit of bringing other external experience, particularly international experience, to benefit the work being undertaken, which would not be the case for an internal team.