



MEDIA RELEASE

Northern Ireland's Priority Capital Projects Falling Short of Delivery Targets

Major, high-priority capital projects are not meeting their cost and timescale targets, and a change of approach is needed. That is among the key findings in a report on "**Major Capital Projects**" published today (Thursday 19 December) by Northern Ireland's Comptroller and Auditor General, Kieran Donnelly.

Mr Donnelly's report provides a high level overview of the Northern Ireland public sector major capital projects portfolio and departmental progress in delivering eleven projects. These include the seven flagship infrastructure projects identified by the NI Executive in 2015 as its highest priority projects. Of the seven flagship projects examined, none have been delivered in line with both original time and budget estimates. Departments attributed this to a range of common issues: funding constraints, legal challenges, planning issues, and a lack of interest from the construction industry.

Commenting on the report's findings, Mr Donnelly said:

"Major capital projects are complex, and delivery problems are not unique to Northern Ireland. That said, it is disappointing that, while some projects are delivered on time and within budget, many suffer significant cost overruns and time delays. Even flagship projects identified as the Northern Ireland Executive's highest priority, and with funding secured over a longer period, have not met their original delivery targets."

Mr Donnelly added:

"Existing, cumbersome governance and delivery structures within the Northern Ireland public sector can be a barrier to achieving value for money. I believe there is merit in considering alternative models, sufficiently resourced with specialist staff, to help improve future delivery."

In response to the issues raised by Departments, Mr Donnelly's report notes that he will be conducting two future studies - one considering the efficiency and effectiveness of the Northern Ireland planning system at central and local government level, and another on identifying the lessons arising from Judicial Reviews. Further in-depth studies of individual major capital projects will also be conducted to assess whether value for money has been achieved.

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**THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION
OR BROADCAST BEFORE 00.01 hrs ON THURSDAY 19TH DECEMBER 2019**

Notes for Editors

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on Thursday 19th December 2019.
3. Background briefing can be obtained from the Audit Office by contacting Tomas Wilkinson (028 9025 1073) or Clare Dornan (028 9025 1035).
4. For the purposes of this report, Major Capital Projects are defined as those estimated to cost in excess of £25 million (excluding projects relating to local government and housing associations).
5. In 2015, the Northern Ireland Executive identified seven flagship infrastructure projects as its highest priority projects. Funding for these projects was allocated over a five year period. Total investment for these projects over the period from 2016-17 to 2021-22, was estimated at just over £1 billion. The seven flagship projects are:
 1. A5 road;
 2. A6 road;
 3. Mother and Children's Hospital;
 4. Belfast Transport Hub;
 5. Belfast Rapid Transit;
 6. Regional and Sub-Regional Stadia; and
 7. Desertcreat College.
6. Information reported on individual projects is based on project overviews provided by departments on each of the flagship projects and an additional four projects which we know have experienced problems together with details of performance against business cases. The additional four projects were:
 1. Critical Care Centre at the Royal Victoria Hospital;
 2. Primary Community Care Centres at Lisburn and Newry;
 3. Ulster University – Greater Belfast Development; and
 4. Strule Shared Education Campus.
7. The Investment Strategy Northern Ireland (ISNI) is a rolling 10 year plan outlining future investment in major capital projects across Northern Ireland, prepared by The Strategic Investment Board (SIB) on behalf of the Northern Ireland Executive. The current strategy 2011-21 is the second update to the original strategy (produced for 2005-15) and outlines plans to invest a total of £13.3 billion (*Figure 1.3 in the report*) over the period from 2011 to 2021. A further update of the strategy has been put on hold following the collapse of the Northern Ireland Executive on 9 January 2017.

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8. Current estimates indicate that over the ten year period to 31 March 2021, a total of over £14.8 billion will have been invested in Northern Ireland (over a ten year period). This exceeds the £13.3 billion anticipated in the latest published Investment Strategy for Northern Ireland (ISNI 2011-21).
9. In the period from 1 April 2011 to 31 March 2019, departments managed 54 major capital projects (that is, projects over £25 million excluding local government and housing associations projects) with a total estimated cost of £5.5 billion. The Department for Infrastructure (DfI) reported the largest major capital project portfolio, 17 projects with a combined cost of £2.4 billion. The majority of the DfI projects relate to roads and transportation.
10. Three of the projects covered in the report have encountered significant problems:
 - The A5 project is currently expected to be delivered 10 years later than originally planned following various legal challenges;
 - The Critical Care Centre is now expected to be completed (and occupied) eight years later than originally planned following various construction problems; and
 - The Ulster University, Greater Belfast Development now needs to attract substantial additional external finance to bridge a major funding gap.