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N I A O

Northern Ireland Audit Office

MEDIA RELEASE

Invest to Save funding in Northern Ireland

Report to the Northern Ireland Assembly by the Comptroller and Auditor General

1 December 2015

In 2010 the Executive established an Invest to Save fund in Northern Ireland aimed at providing enhanced support to Central Government departments for the upfront costs of making efficiency savings for 2010-11 and beyond.

A total of £311 million ring-fenced Invest to Save funding was allocated to 31 projects across departments and should not have been used for any other purposes. £254 million was actually spent on Invest to Save projects.

Of the monies not spent on Invest to Save projects, £52 million was reallocated by the DHSSPS to other high priority areas within its department to address front-line financial pressures within the Health and Social Care system.

Mr Donnelly said:

"In times of austerity, initiatives of this nature offer particular opportunities to innovate and to use taxpayers' money to best effect. The primary focus of Invest to Save funding was on delivering savings. However, almost one third of projects did not anticipate and/or quantify savings and no specific savings target were set, monitored, or reported on for the schemes as a whole. Whilst not disputing the merits of the projects which were funded, it is not clear how many met the criteria of an Invest to Save project."

Almost two thirds of the funding (£206 million) was allocated to the Department for Regional Development (DRD) and the Department of Health, Social Services and Public Safety (DHSSPS).

In some cases it was difficult to identify the boundaries between Invest to Save funding and conventional funding; and whether such funding could, or should have been secured through the conventional bidding process. This is particularly evident in the case of the £108 million funding provided for DRD's Roads Structural Maintenance programme which received over a third of Invest to Save funding allocated.

The primary focus of Invest to Save funding was realising monetary savings. However, almost a third of projects funded did not anticipate and/or quantify savings over the 2011-15 budget period, and no specific savings targets were set for each of the Invest to Save schemes or for individual projects allocated funding.

In the absence of central monitoring, validation or reporting of savings it is difficult to assess whether the effectiveness of Invest to Save funding has been maximised.

For some individual projects the funding has delivered significant savings. Although the information provided to NIAO on estimated savings was inconsistent, departments have estimated cumulative savings in excess of £150 million from Invest to Save projects.

Over £100 million of savings claimed are in relation to six staff efficiency schemes. In addition, DARD reported that £41.2 million of EU fines have been avoided as a result of funding provided towards their EU Audit Compliance Programme.

The report found little evidence to show that Invest to Save funding was used sufficiently to encourage risk-taking and innovation. Projects were generally – though not exclusively – lower risk and less innovative than might have been expected.

In NIAO's view, there was more scope to take advantage of new technology to identify alternative, more effective ways to deliver services; undertake cross departmental/agency working; pilot more productive ways of working; and introduce better working practices.

Mr Donnelly said:

"Drives for improved efficiency in the delivery of public services often require up-front investment to deliver longer term savings. It is important that effective assessment, monitoring and reporting arrangements are in place. Otherwise, there is a risk that the funding does not achieve the financial and service delivery benefits intended and that the potential to encourage transformation and innovation across public services is not maximised"

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. In 2010 the Executive established an Invest to Save fund in Northern Ireland aimed at providing enhanced support to departments on the upfront costs of making efficiency savings for 2010-11 and beyond. This initial £26 million scheme was extended through the establishment of a further two Invest to Save schemes over the 2011-15 budget period. The Invest to Save projects were often part of wider budgetary discussions within the Executive. The Executive allocated £311 million ring fenced funding across all departments over the period 2010-15 to spend on 31 Invest to Save projects. Invest to Save funding allocations were made by the DFP on a ring-fenced basis and should not have been used for any other purpose.
3. It is also available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on 1 December 2015.
4. Background briefing can be obtained from the Audit Office by contacting Eddie Bradley (028 9025 1011) or Sean Beattie (028 9025 1091).