



Tionscadal Éireann  
Project Ireland  
**2040**

# **Strengthening Delivery Capability for Project Ireland 2040**

## Report from the Supporting Excellence Action Team

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## Section 1.1: Summary

- Project Ireland 2040 was launched in February 2018 and set out a 10-year programme of capital investment, aimed at upgrading Ireland's infrastructure, enhancing our economic capacity and promoting balanced regional development. The National Planning Framework (NPF) and the National Development Plan 2018-27 (NDP) together constitute Project Ireland 2040.
- The revised NDP, which covers the period 2021-30, has been developed by the National Investment Office (NIO) in the Department of Public Expenditure and Reform, and forms the context for this report. The revised NDP includes €136 billion of Exchequer investment and €29 billion of investment by the commercial-semi state sector, giving a total of €165 billion. A key focus of the revised NDP is to improve project delivery capability in the public service.
- A range of measures are already underway to increase public sector delivery capability over the medium-term such as the report, commissioned from the advisory firm EY, "Supporting Excellence: Capital Project and Programme Delivery Capability Review".
- In light of a key recommendation of the EY report, the NIO within the Department of Public Expenditure Reform (DPER) convened an Action Team in March 2021 comprising of experts from across the public sector to tailor and set out a roadmap for implementation of the proposed solutions in the EY report; and also to configure the central infrastructure "backbone" of services that can more coherently support public sector construction and capability development.
- The vision is for a professional public service that is capable of effectively delivering on the significant public capital programme under the NDP. The approach to delivering capital programmes across the public service varies depending on the sector and entity. There is no "one size fits all" solution to the capability challenges, and supports and initiatives must be tailored to the entity, sector and industry.
- A key factor is striking the right balance between supports and services that Departments may avail of from the centre and the desirability for Departments/Offices to build up their own delivery capability at local level. These are not mutually exclusive options and the developmental agenda is for less reliance on the centre alongside more improved local level delivery capability. To achieve this twin-track approach, this report focuses on:
  1. Supporting excellence within the sectors;
  2. Supporting excellence from the central institutions and agencies and
  3. Improving co-ordination among the various bodies, and improving the quality and coherence of guidance that is provided, in support of excellence.
- The Action Team report sets out 34 specific actions across 12 focus areas as a roadmap to improved capital delivery capability under these headings. A summary of the actions is set out in Table 1 overleaf. Action owners and indicative timeframes are set out beside each action.

- Accordingly, some of the key actions in this report will improve delivery capability in the sectors, leverage existing supports from the centre (NIO, OGP, OPW, NDFA) and will also strengthen key work-streams of those bodies and foster stronger coordination and leadership on matters of professional capability, advice and knowledge-sharing.
- Implementation of the actions in this report will be monitored by a new Supporting Excellence Leadership Group.

**Table 1: Summary of Actions Recommended by the Supporting Excellence Action Team**

| <b>Supporting excellence within the sectors</b>                    |  |                       |                             |
|--|--|-----------------------|-----------------------------|
| <b>Area 1: Leverage excellence to support sectoral development</b> | <b>Actions:</b>  | <b>Action Owner</b>   | <b>Indicative Timeframe</b> |
| <b>Area 1: Leverage excellence to support sectoral development</b> | 1. Complete pilot stage of programme to develop a partnership model for strengthening sectoral capability which may provide learnings for other public bodies.   | DFHERIS and NDFA      | Q3 2022                     |
|  | 2. Report to Project Ireland 2040 Delivery Board on the lessons learned from the pilot and recommendations for wider roll-out.   | DFHERIS               | Q4 2022                     |
|  | 3. Build on the role of the Office of Public Works in the provision of advisory services for Government and State Agencies for building and property needs including the care of Heritage buildings owned and occupied by the State. | OPW                   | Ongoing                     |
|  | 4. Publish Green Public Procurement Roadmap.   | OPW                   | Q4 2021                     |
|  | 5. Provide specialised advisory supports for Deep Energy Retrofit programmes of public buildings.  | SEAI/OPW              | Ongoing                     |
| <b>Area 2: Address remaining gaps in sectoral capacity</b>         | 6. Approving Authorities will carry out sectoral gap analysis of issues remaining in their area.   | Approving Authorities | Q1 2022                     |
|  | 7. Each Approving Authority will report to the Project Ireland 2040 Delivery Board on planned actions to address remaining gaps.   | Approving Authorities | Q2 2022                     |
|  | 8. Each Approving Authority with a large capital programme develops a centre of excellence with a mandate to support and advise delivery entities within the sector.   | Approving Authorities | 2022                        |

| <b>Supporting excellence from the central institutions and agencies</b>        |   |                       |                |
|--|---|-----------------------|----------------|
| <b>Area 3: Strengthen the remit of the Project Ireland 2040 Delivery Board</b> | 9. Expand, through open competition, membership of the Project Ireland 2040 Delivery Board to add external, independent expertise.  | DPER & DHLGH          | Q4 2021        |
|  | 10. Further develop the role of the Board in overseeing project scrutiny and programme roll-out.  | DPER & DHLGH          | 2022           |
| <b>Area 4: Resource the improvement of delivery under the new NDP</b>          | 11. Resource specific improvements in delivery capability including enhancements to the support services provided by the Office of Public Works and the Office of Government Procurement.   | DPER                  | Q4 2021        |
| <b>Area 5: Overhaul the assurance process for projects over €100 million</b>   | 12. Establish an independent, external assurance process for all projects with estimated costs in excess of €100 million.   | NIO                   | Q4 2021        |
|  | 13. Establish a Major Projects Advisory Group to support DPER in the assessment of megaproject proposals.   | NIO                   | Q4 2021        |
|  | 14. Draw on the advice of the Major Projects Advisory Group in strengthening and refining the Public Spending Code.   | NIO                   | 2022 & ongoing |
| <b>Area 6: Embed innovation and digitalisation</b>                             | 15. Support the work of the Innovation and Digital Adoption Team under the remit of the Construction Sector Group.  | CSG                   | Ongoing        |
|  | 16. Progress fundamental actions with the support of industry such as Enterprise Ireland's establishment of a Technology Centre for Construction and a Modern Methods of Construction facility, which will combine research and innovation in support of improved productivity in the construction sector, initially focused on residential construction. | CSG                   | 2022           |
|  | 17. Support the establishment of a sustainability consultation group of industry and public sector members to provide input on sustainability across all seven actions.   | CSG                   | 2022           |
| <b>Area 7: Renew the Capital Works Management Framework</b>                    | 18. Revise and publish a new CWMF to ensure alignment with the Public Spending Code.  | OPP                   | Ongoing        |
|  | 19. Disseminate and promote templates, user guides and supporting material across all public bodies.  | NIO, OGP              | 2022           |
|  | 20. Each Approving Authority with a large capital programme to maintain an up to date and comprehensive set of project management guidelines, including a single source on-line repository of information, requirements and guidelines relevant to  | Approving Authorities | 2022           |

|   |  |                         |         |
|---|--|-------------------------|---------|
|   | the sector in question, with regard to project governance and compliance with the Public Spending Code.  |                         |         |
| <b>Area 8: Developing career paths and training</b> | 21. Expand the coverage and throughput of the Commercial Skills Academy.   | OPP                     | 2022    |
|   | 22. Recruit through PAS specialist panels of NDP Project and Programme Managers to help kick-start the delivery of the expanded 2030 NDP.  | OPW/PAS                 | 2022    |
|   | 23. Roll-out of IPA Diploma Programme in Project Management.   | OPW                     | Q4 2021 |
|   | 24. Lead the development of a skills competency framework for management and governance of capital projects.   | SELG                    | 2022    |
| <b>Area 9: Public Private Partnerships</b>          | 25. Review the existing treatment of PPPs.   | PPP Steering Group      | 2022    |
|   | 26. The NDFA in conjunction with the Department of Public Expenditure and Reform, Department of Environment, Climate and Communications and SEAI will develop guidelines on the use of EPCs. | NDFA/SEAI/D<br>ECC/DPER | 2022    |

## Improving co-ordination among the various bodies and the quality and coherence of guidance provided

|   |  |                      |                  |
|---|--|----------------------|------------------|
| <b>Area 10: Establish a Supporting Excellence Leadership Group</b>                                | 27. Establish a Supporting Excellence Leadership Group under the aegis of the Project Ireland 2040 Delivery Board.   | NIO/OPW/O<br>GP/NDFA | Q4 2021          |
| <b>Area 11: Foster the community of public investment professionals across the Public Service</b> | 28. Embed and regularise the InfraNet to foster the community of public investment professionals.  | NIO                  | 2022 and ongoing |
|   | 29. Hold regular networking events with guest speaker briefings and continue hosting the annual conference.  | NIO                  | 2022             |
|   | 30. Draw supports from other existing models of professional networking at sectoral level (e.g. Office of the State Architect managed CPD and central guidance model for OPW). | NIO/OPW              | 2022             |
| <b>Area 12: Ensure the PSC supports delivery through the project lifecycle</b>                    | 31. Issue further Public Spending Code guidance to support delivery of projects (e.g. financial appraisal, programme appraisal etc.)   | NIO                  | 2022             |
|   | 32. Issue guidance for project selection including on capital grant schemes as part of the Public Spending Code  | NIO                  | 2022             |
|   | 33. Explore the establishment of a digital platform to assist public officials in developing projects through the delivery phases.   | NIO/GCCC/O<br>GCIO   | 2022             |

| Implementation |   |      |         |
|----------------|---|------|---------|
|                | 34. Implementation of the actions in this report will be monitored by the Supporting Excellence Leadership Group (Action 27). | SELG | Ongoing |

## Section 1.2: Background

Project Ireland 2040 was launched in February 2018 and set out a 10-year programme of capital investment, aimed at upgrading Ireland's infrastructure, enhancing our economic capacity and promoting balanced regional development. The National Planning Framework (NPF) and the National Development Plan 2018-27 (NDP) together constitute Project Ireland 2040.

The revised NDP, which covers the period 2021-30, has been developed by the National Investment Office in the Department of Public Expenditure and Reform, and forms the context for this report. The revised NDP includes €136 billion of Exchequer investment and €29 billion of investment by the commercial-semi state sector, giving a total of €165 billion.

When combined with a record carryover of €710 million, Departments and Agencies have potential to spend €10.8 billion in 2021. This provision of investment is the highest in the history of the state and public investment in construction in Ireland has remained among the highest in the EU in spite of COVID-19.

The revised NDP details a vision for public investment in the period 2021 to 2030, including investment priorities, projects and allocations. A key focus of the revised NDP is on the capability and capacity of the public service to deliver the ambitious targets for investment that are set out in the plan.

A range of measures are already underway to increase public sector delivery capacity over the medium-term including:

- the establishment of a Commercial Skills Academy in the Office of Government Procurement;
- the establishment of the Public Infrastructure Network (the InfraNet) for those involved in capital project delivery;
- expansion of the Irish Government Economic and Evaluation Service (IGEES);
- a range of reforms in the planning area including the establishment of a new Division of the High Court dealing with planning and environmental issues;
- the commissioning of an EU-financed independent report on the capability of the public sector to deliver capital projects – this report, commissioned from the advisory firm EY, "Supporting Excellence: Capital Project and Programme Delivery Capability Review".

A key recommendation of the EY report was that the National Investment Office (NIO) within the Department of Public Expenditure Reform (DPER) should convene an Action Team comprising of experts from across the public sector to tailor and set out a roadmap for implementation of the proposed solutions; and also to configure the central infrastructure “backbone” of services that can more coherently support public sector construction and capacity development.

The Action Team was established in March 2021 and includes members from the central infrastructure support agencies as well as members from a number of key line Departments. This Team was tasked with producing this report which is being published as a key supporting document in the revised National Development Plan 2021-2030 (NDP). This report is also summarised in the revised NDP. Membership and terms of reference for the Action Team are set out at [Appendix 1](#).

## Section 1.3: Roadmap for improvement of capital project delivery capability

The EY report published in March 2021 recognises that there is not a “one size fits all” solution to improve delivery capability and that supports and initiatives need to be tailored to the entity, sector and industry challenges. As activity increases under the NDP, entities responsible for capital programme delivery are likely to face significant capability and capacity challenges, which will vary by sector and by entity. Sectoral policy is typically owned by Government departments at a national level and local authorities at a local level. The responsibility for the delivery of capital programmes rests with a range of public entities at a national and local level, such as Government departments, local authorities, state agencies, devolved agencies, semi-state companies and approved independent bodies. Each entity is responsible for its own planning, execution and delivery approach within the policy constraints set down in the Public Spending Code and the Capital Works Management Framework (where applicable).

The Action Team recommends that a range of options be considered in order to maximise the impact on NDP delivery. The NDP varies enormously in delivery terms. The strong entities have in the main their own bespoke organisational structures, are delivering programmes of scale and have well developed staffing, systems, processes including governance and systems to support them and they also relate to specialised disciplines in which they are exemplar; transport, roads, water, etc. The focus of the work of the Action Team is therefore on strengthening the areas where capital delivery capability is less well developed.

The vision is for a professional public service that is capable of effectively delivering on the significant public capital programme under the National Development Plan. A key factor is striking the right balance between supports and services that Departments may avail of from the centre and the desirability for Departments/Offices to build up their own delivery capability at local level. These are not mutually exclusive options and the developmental agenda is for less reliance on the centre alongside more improved local level delivery capability. To achieve this twin-track approach, this report focuses on

1. Supporting excellence within the sectors;
2. Supporting excellence from the central institutions and agencies and
3. Improving co-ordination among the various bodies, and improving the quality and coherence of guidance that is provided, in support of excellence.

The Action Team report sets out 34 specific actions across 12 focus areas as a roadmap to improved capital delivery capability.

Accordingly, some of the key actions in this report will improve delivery capability in the sectors, leverage existing supports from the centre (NIO, OGP, OPW, NDFA) and will also strengthen key work-streams of those bodies and foster stronger coordination and leadership on matters of professional capability, advice and knowledge-sharing.

Implementation of the actions will be overseen by the proposed Supporting Excellence Leadership Group (Action 34) under the direction of the Project Ireland 2040 Delivery Board.

## Section 1.3.1: Supporting excellence within the sectors

Areas 1 and 2 below focus on how the sectors can develop their own capability to deliver the capital programmes under their remit.

### **Area 1: Leverage excellence to support sectoral development**

The Action Team recommends leveraging the expertise of experienced delivery entities for the benefit of sectors where there are capability gaps. There are already several examples of this in practice, such as support provided by the OPW in the sports, cultural and justice sectors, and by the NDFA in the housing and education sectors (both schools and higher education). The Action Team proposes that this approach is further developed as a priority, building on existing relationships in the first instance to ensure that steps can be taken quickly. This would be complementary to the approach outlined at Area 2 below, which assumes Sponsoring Agencies deliver their own projects, but with the benefit of centralised support.

The type of support to be leveraged from experienced delivery entities will need to be tailored to the requirements at sectoral level and therefore a single model is not appropriate. Appropriate governance arrangements would need to be put in place on a case by case basis setting out roles and responsibilities, such as in the form of a Memorandum of Understanding. The support might include (not exhaustive):

- Directly procuring and overseeing delivery of individual projects, bundles of projects or programmes
- Provision of advice to support the development of sectoral centres of excellence ([see Area 2 below](#)).
- Capability maturity assessments to support the successful initiation of individual projects and programmes.
- Provision of project management and technical advice on building programs (e.g. OPW technical advisor service to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media under the Sports Capital Programme).
- Multi-disciplinary advice to existing project management teams on an ‘as required’ basis (for example, in interrogating procurement strategies, risk management approaches, engaging external expertise etc).

The NDFA and DFHERIS are planning to pilot a partnership model for the higher and further education sectors along the lines outlined above and this may offer further insights into how central supports can be leveraged for other sectors.

### **Deep Energy Retrofit Programme**

Deep Energy Retrofit of public buildings, schools and housing will be a key feature over the next 10 years to meet our Climate Agenda. Each Department under the Climate Action Plan is required to have a dedicated Climate Action Delivery Unit responsible for reporting on progress on the various actions under the Climate Agenda. Departments that have significant climate investment will need to have their own central area of expertise to drive forward its individual programmes. The Action Team recommends that the focus should be on identification of existing services available to public bodies in support of the Retrofit programme.

The SEAI have the role of overarching co-ordination/information sharing etc. via both the Public Sector Energy Efficiency Programme and the Public Sector Pathfinder Retrofit Programme:

- The Public Sector Energy Efficiency Programme is a management and advisory programme, operated by the SEAI, which offers comprehensive support and engagement to guide public bodies. The

programme focuses on capacity building and energy management principals, which are low cost means of delivering energy efficiency improvements.

- The Public Sector Pathfinder Retrofit Programme, funded via the DECC Vote and administered by the SEAI, is a capital support retrofit programme for public buildings in a number of key sectors. The aim of the Programme is to test approaches, build best practice with the objective of developing a scalable retrofit programme that can be replicated across the wider public sector.

The OPW will also be embarking on a significant Deep Retrofit Project, which will involve the refurbishment of a large office development. This will be an exemplar project, the learnings of which will be documented and disseminated as a best practice guidance document. The Department of Education will continue to build on the partnership and experience gained through the pilot school pathfinders programme that is managed and operated in collaboration with both Department of Education and SEAI.

## **Actions:**

1. Complete a pilot programme to develop a partnership model for strengthening sectoral capability which may provide learnings for other public bodies. (**DFHERIS and NDFA**)
2. Report to Project Ireland 2040 Delivery Board on the lessons learned from the pilot and recommendations for roll-out. (**DFHERIS**)
3. Build on the role of the Office of Public Works in the provision of advisory services for Government and State Agencies for building and property needs including the care of Heritage buildings owned and occupied by the State. (**OPW**)
4. A. Publish Green Public Procurement Roadmap. (**OPW**)
5. Provide specialised advisory supports for Deep Energy Retrofit programmes of public buildings. (**SEAI/OPW**)

## **Area 2: Address remaining sectoral gaps**

The EY report gives a broad overview of the capital project delivery capabilities across the public service. Notwithstanding progress made to date, certain gaps in sectoral capacity are in evidence, as highlighted in the EY Report “Supporting Excellence”. It is recognised that the planning and delivery of large-scale infrastructure programmes at sectoral level requires targeted investment in capability. The Action Team recommends that the public service undertakes a more-detailed capacity review at the sectoral level, initially undertaken by each Approving Authority with each body submitting their own report to the NIO. The NIO will determine the requirements for the reports, taking into account EY’s Capital Programme Delivery Capability Framework (or equivalent). A key element of the reports will be an assessment of the planned actions by Approving Authorities to address the gaps identified in their sectoral capacity.

As noted in the EY Report there are a number of sectors with a high degree of experience and specialism which have already formed either dedicated delivery entities or centres of best practice to support a number of different delivery entities. These would include: TII for National Roads Sector; NTA for Public Transport Sector; IW for Water and Wastewater Sector; HSE Estates for Hospital Infrastructure Sector; NDFA for Accommodation Infrastructure (including PPP delivery and similarly large projects/programmes); OPW for Flooding Sector and Buildings Sector.

The Action Team recommends that each sector with a large capital programme has a centre of excellence with a mandate to support and advise delivery entities, scaled and resourced appropriately according to the needs of each sector, including in the distillation and dissemination of lessons learned from project delivery. It is

recognised that the needs within sectors will differ depending on the nature of the public capital expenditure and the degree of capacity and expertise existing within the delivery agencies.

For sectors with this centre of excellence model already in place, it may be necessary to review their capabilities to ensure that they align with the demands of the infrastructure pipeline in the NDP and/or the most recent requirements in relation to e.g. climate. For other sectors, this may essentially be a newly established function and they may benefit from targeted support from the centre in reviewing their resource requirement (see Area 1 above). The establishment of centres of excellence must be accompanied by a capacity review at the sectoral delivery level (e.g. Agency, Local Authority, etc) to ensure that each delivery entity has the team and skillsets necessary to deliver on the ambition of the NDP.

The centres of excellence at sectoral level would also act as the conduit for the sector in relation to the dissemination of new guidance or advice from central government, in feeding back lessons learned from sectoral delivery experience, and in monitoring and reporting on emerging delivery risks.

The centres of excellence will also need to align and coordinate with the other construction related entities including NIO, OGP, GCCC, and Commercial Skills Academy etc. on a regular/continuous basis in a structured forum. This will ensure that all guidance and expert advice provided reflects the evolving construction and project delivery climate. It is proposed that the centres of excellence be represented on the expanded InfraNet (Area 11 below) to ensure consistency of approach.

## **Actions:**

6. Approving Authorities will carry out sectoral gap analysis of issues remaining. (**Approving Authorities**)
7. Each Approving Authority will report on planned actions to address remaining gaps. (**Approving Authorities**)
8. Each Approving Authority with a large capital programme identifies or develops a centre of excellence with a mandate to support and advise delivery entities within the sector. (**Approving Authorities**)

## Section 1.3.2: Supporting excellence from the central institutions and agencies

Steady progress has been made in the implementation of Project Ireland 2040 and associated reforms. However, in light of the NDP Review and other developments it is timely to assess the progress and reforms to governance, assurance and capability. There are five main organisations which support the delivery of capital projects from the centre:

- The National Investment Office in DPER
- National Development Finance Agency
- The Office of Government Procurement
- The Commercial Skills Academy (at the OGP)
- The Office of Public Works (OPW)

**Appendix 2** sets out briefly the main supports for capability delivery provided by those organisations.

**Appendix 3** sets out the main groups who operate under the aegis of DPER or the Project Ireland 2040 Delivery Board and support the implementation of Project Ireland 2040 including: Construction Sector Group, National Investment Office and the Supporting Excellence Leadership Group.

Areas 3 to 9 below set out how the centre can strengthen the delivery of the NDP.

### Area 3: Strengthen the remit of the Project Ireland 2040 Delivery Board

The overall governance and delivery of Project Ireland 2040 has benefited from the introduction of the Project Ireland Delivery Board in 2018. The Board currently comprises the Secretaries General of the main capital spending departments and can be expanded to facilitate greater scrutiny of investment proposals and leveraging additional expertise, linked to the priorities of the revised NDP in the areas of climate action, regional balance, and infrastructure capacity. Government has agreed to the addition of up to five external members to the Board to bring additional expert knowledge, independent, regional perspectives, and an enhanced challenge function to bear within the deliberations of the Delivery Board.

Candidates will be sought with a good mix of experience in project delivery from both the public and private sectors perspectives, and with skills relevant to the themes underpinning the revised NDP including environmental aspects of investment, regional perspectives and the role of investment in supporting enterprise and business innovation. The additional members will be recruited through the Public Appointments Service. Following an assessment process, the NIO will revert to the Minister for Public Expenditure and Reform with recommendations on the individuals to fill the external member roles on the Delivery Board having regard to gender balance in nominations.

#### Actions:

9. Expand, through open competition, membership of the Project Ireland 2040 Delivery Board to add external, independent expertise. (**DPER & DHLGH**)
10. Further develop the role of the Board in overseeing project scrutiny and programme roll-out. (**DPER & DHLGH**)

## Area 4: Resource the improvement of delivery under the new NDP

In certain cases, delivery capability may have to be expanded and improved in the medium-term. Funding lines of circa €1m per annum over the 10 years of the NDP are envisaged. Allocations for 2022 will be finalised as part of the preparation of the Revised Estimates Volume 2022 in November 2021. Innovative solutions which can lead to a step-change in capability should be encouraged across the system.

### Action:

11. Resource specific improvements in delivery capability including enhancements to the support services provided by the Office of Public Works and the Office of Government Procurement. (**DPER**)

## Area 5: Overhaul the assurance process for projects over €100 million

There is a wealth of international evidence examining the causes and impacts of poor project performance including cost overruns, schedule drift and benefits shortfalls. The research clearly shows that the introduction of robust, external and independent reviews at key milestones has the greatest potential to improve performance.

Across Ireland and internationally, there is a wide body of expertise in major programme management including recently-retired public officials, academics and independent practitioners. This should be harnessed to further support central consideration of project proposals. As part of the NDP review, DPER committed to strengthening the scrutiny of major public investment proposals.

DPER updated the requirements and value for money guidance for public capital investment in the Public Spending Code in 2019 following an extensive consultation process. The update streamlined the requirements for smaller projects and ensured the requirements for larger projects support a better consideration of options, risks, costs and deliverability. The update of the Public Spending Code highlighted the need for strengthened assurance of major projects over €100m. There are currently over fifty of these in the Exchequer funded element of the NDP. Major projects are usually complex, bespoke, and the risks associated with them tend to materialise. Cost overruns and/or delays on these projects can have a significant knock on impact on the rest of the capital programme.

Public investment proposals over €100m require Government approval at key decision gates in line with the Public Spending Code. The current process involves assurance by the funding Department, and a DPER scrutiny and challenge role through business case technical reviews. While this has proven useful, the ability to robustly challenge on substantive delivery issues such as scrutiny of costings, feasibility of delivery plans, and appropriateness of procurement strategies, needs to be strengthened. External reviews from an independent party can be instrumental to enable good project and investment governance. Detailed analysis by DPER, supported by a working group of public bodies, has identified two new elements needed to strengthen the existing assurance process for major projects.

- Firstly, an External Assurance Process (EAP) will be put in place, involving independent expert reviews at two key decision gates in the project lifecycle under the Public Spending Code (before approval in principle and pre-tender). This will allow for robust scrutiny of the costs underpinning major public investment proposals, and the consideration given to risk, delivery and governance in the business case for the proposal. The process will supplement DPER's current role in conducting the formal reviews of business cases allowing for more robust scrutiny of the technical elements of planned delivery. This will mean that the Government is making decisions on these

projects with as full a picture as possible of the proposal, its costs, risks and benefits. Departments will have the flexibility to draw down from the EAP framework in anticipation of the finalisation of key project documentation so as to aid timely delivery and expeditious completion of assurance reviews. It can be expected that ongoing programmes of more routine investment may involve a lower level of risk than larger, more complex investments and this risk assessment will inform the arrangements in their implementation. The Minister for Public Expenditure and Reform approved the publication of the Request for Tenders (RFT) for the External Assurance Process on 12 July 2021. It is expected that this will be in place by Q4 2021.

- Secondly, a Major Projects Advisory Group will be established to support the Department of Public Expenditure and Reform's project scrutiny and challenge role by considering the major public investment proposals which are intended to be brought to Government, the analysis supporting them, and the results of the external reviews conducted through the new External Assurance Process.

### **Actions:**

12. Establish an independent, external assurance process for all projects with estimated costs in excess of €100 million (**NIO**)
13. Establish a Major Projects Advisory Group to support DPER in the assessment of megaproject proposals (**NIO**)
14. Draw on the advice of the Major Projects Advisory Group in expanding and refining the Public Spending Code (**NIO**)

### **Area 6: Embed innovation and digitalisation**

The Construction Sector Group (CSG) is the forum through which Government Departments and industry representatives engage on a regular basis. In support of the CSG, an Innovation and Digital Adoption Team has been established by industry and Government to deliver on the seven priority actions identified in the Building Innovation report.

In December 2020, as part of that process, a competitive, challenge-based grant call was launched by the Department of Public Expenditure and Reform to deliver the Build Digital Project with up to €2.5 million in public funding over the next five years. The Build Digital Project will aim to ensure that world class digital practices, which already exist in certain elements of the Irish construction sector, are adopted throughout the industry and supply chain in order to achieve a more innovative sector from top to bottom. The project will provide guidance and leadership on the necessary digital tools, standards, approaches and training required by all across the construction sector, including public sector clients who may have yet to realise the full benefits of digital approaches.

### **Actions:**

15. Support the work of the Innovation and Digital Adoption Team under the remit of the Construction Sector Group. (**CSG**)
16. Progress fundamental actions with the support of industry such as Enterprise Ireland's establishment of a Technology Centre for Construction and a Modern Methods of Construction facility, which will combine research and innovation in support of improved productivity in the construction sector, initially focused on residential construction. (**CSG**)

17. Support the establishment of a sustainability consultation group of industry and public sector members to provide input on sustainability across all seven actions. (**CSG**)

## **Area 7: Renew the Capital Works Management Framework**

The Capital Works Management Framework (CWMF) comprises the procurement templates and contracts which must be used on all public works projects which are majority Exchequer funded it also includes a suite of user-friendly and practical guides for public officials delivering capital programmes of all ranges and sectors. The Office of Government Procurement Construction Policy Unit launched an ongoing review of procurement policy for public works projects in 2019. The review encompasses a significant body of work in a sector that generates considerable media attention. It will deliver significant changes to the CWMF over the coming years and will involve extensive engagement both with industry stakeholders and with the public bodies charged with the delivery of capital projects.

### **Actions:**

18. Revise and publish a new CWMF to ensure alignment with the PSC. (**OGP**)
19. Disseminate and promote templates, user guides and supporting material across all public bodies. (**NIO/OGP**)
20. Each Approving Authority with a large capital programme to maintain an up to date and comprehensive set of project management guidelines, including a single source on-line repository of information, requirements and guidelines relevant to the sector in question, with regard to project governance and compliance with the PSC. (**Approving Authorities**)

## **Area 8: Developing career paths and training**

The Commercial Skills Academy was established in 2019 at the Office of Government Procurement in order to enhance the commercial delivery capabilities of key spending departments and public sector bodies. It does this through a focussed training programme for public service managers to gain an understanding of key issues, commercial skills, and best practice approaches for effective project delivery throughout the entire lifecycle of the project. The CSA has delivered some clear early successes since its establishment and has developed a suite of training suitable for staff involved at all levels. The training is organised on a tiered system, from Foundation level to Experienced. Recent Masterclasses have been on topics such as: *The Use of Framework Agreements in Construction; eTendering; and Covid and Brexit*.

In addition, there may be significant potential in exploring the role of dedicated civil service career paths in capital project delivery. The Action Team propose that the Public Appointments Service run open competitions to create a number of panels, of skilled Project and Programme Managers to support the launch of the revised National Development Plan (NDP) 2021-2030. Two panels: a panel of Project Managers at Assistant Principal Officer, or equivalent grade, and a panel of Programme Managers at Principal Officer, or equivalent, grade are proposed.

The role specifications and recruitment criteria for these panels will combine the recently developed Project Management Competency Framework with the specific requirements of the Capital Works Management Framework (CWMF) and Public Spending Code (PSC) related to capital projects delivery. Any or all of the bodies involved in delivery of the revised 2021-2030 NDP may draw staff from these panels to fill vacancies arising.

## IPA Diploma Programme in Project Management

The Project Management skillset has been identified as a priority for OPW staff in the context of delivering the objectives of the OPW Statement of Strategy 2021-2024 and the National Development Plan.

An Advisory Group, chaired by the Director of Corporate Services and comprising senior managers from across the OPW, has been assisting the Learning and Development Unit (L&D Unit) to review the existing learning landscape, which includes OneLearning and the OGP's Commercial Skills Academy.

The OPW is collaborating with the Institute of Public Administration (IPA) to deliver a customised Professional Diploma in Project Management commencing October 2021 until end March 2022 at Level 8 Special Purpose Award on the National Framework of Qualifications and awarded by UCC.

A key objective is to maximise and diversify the shared learning potential of participants. In taking the lead on this initiative, the OPW hopes to enable significant numbers of OPW staff over the coming years to achieve an accreditation that supports them in their current work and future careers. Because of the wider NDP skills development context, the programme has been extended beyond the OPW and approx. ten places on the first run starting in October are being offered to some members of the Project Management Network and major NDP players.

## Skills and Competency Framework

The Supporting Excellence Leadership Group, to be established under Action 27 of this Report, will take the lead in shaping the skills competency framework for the management and governance of capital projects, drawing on national and international best practices. This initiative will be developed in alignment with the other delivery and developmental initiatives under the NDP, including the Commercial Skills Academy, the establishment of career paths and accreditation for project and programme managers, and the development of the InfraNet (Public Infrastructure Network). It will take account of project management experiences in implementation including with regard to mega-projects, with each Department responsible for developing local skills and sectoral expertise, including through operational relationships with central advisory agencies.

## Actions:

21. Expand the coverage and throughput of the Commercial Skills Academy. (**OGP**)
22. Recruit through PAS specialist panels of NDP Project and Programme Managers to help kick-start the delivery of the expanded 2030 NDP. (**OPW/PAS**)
23. Roll-out of IPA Diploma Programme in Project Management. (**OPW**)
24. Lead the development of a skills competency framework for management and governance of capital projects. (**SELG**)

## Area 9: Public Private Partnerships

The strategic and prudent use of Public Private Partnerships (PPPs), and in particular Energy Performance Contracts (EPCs), may offer further opportunities to augment capital investment levels and capacity while advancing core Programme for Government priorities. Outside of the financial considerations associated with PPPs, a key benefit has been the fact that the contracting approach is well-understood in the market and can provide benefits in terms of delivery certainty. In line with Value for Money objectives, the PPP Steering Group will examine the possible disincentives currently in policy around the uptake of further PPP commitments. Separately, Guidelines around the use of EPC's will be developed. This work will be progressed with the existing PPP Steering Group with a series of recommendations to be finalised by Q2 2022.

Energy Performance Contracts (EPCs) are a form of Public Private Partnership, but are significantly different from ‘traditional’ PPPs. Under an EPC, an Energy Service Company (ESCO) takes responsibility for undertaking the energy efficiency upgrade of a building. In return, an agreed proportion of the resulting energy bill savings accrue to the ESCO rather than to the building owner. For EPCs to be worthwhile, it would need to be established that delivery capacity exists to actually achieve the desired volume of retrofit, in addition to all other NDP funded investments.

### **Actions:**

25. Review the existing treatment of PPPs. (**PPP Steering Group**)
26. The NDFA in conjunction with the Department of Public Expenditure and Reform, Department of Environment, Climate and Communications and SEAI will develop guidelines on the use of EPCs. (**NDFA/SEAI/DECC/DPER**).

## Section 1.3.3: Improving co-ordination and guidance to support excellence

### **Area 10: Establish a Supporting Excellence Leadership Group**

The Action Team recommend the establishment of a Supporting Excellence Leadership Group under the direction of the Project Ireland 2040 Delivery Board. The purpose of this Group will be:

- (1) to improve governance and oversight on capital delivery capability;
- (2) to drive implementation of the Action Team recommendations;
- (3) to facilitate operational collaboration across the profession; and
- (4) to lead on Action 24 of this report on the development of a skills competency framework.

This Group will report regularly to the Delivery Board, including progress on implementation of the recommendations of the Action Team. The Group will be made up of members as may be appointed by the Delivery Board and may include independent external delivery experts and key delivery stakeholders e.g. the Chair of the CCMA. The NIO in DPER will draw up Terms of Reference and proposed membership for this Group, taking into account the interaction with existing groups in this field, such as the Construction Sector Group and its Innovation Sub-Group and the InfraNet (the network of public infrastructure professionals). A review of the governance arrangements for the implementation of this report, including the Supporting Excellence Leadership Group, will take place in Q4 2022.

#### **Action:**

27. Establish Supporting Excellence Leadership Group under the aegis of the Project Ireland 2040 Delivery Board. **(NIO/OPW/OGP/NDFA)**

### **Area 11: Foster the community of public investment professionals across the Public Service**

The Action Team recommends the expansion of the Public Infrastructure Network (InfraNet) to continue to support a culture of collaboration across the capital delivery profession. The establishment of a community of best practice to share knowledge and promote peer-to-peer learning has benefited a range of specialisms across the public service, for example the Irish Government Economic and Evaluation Service. It is important that there are suitable opportunities to bring together public sector infrastructure professionals in a way that allows for open discussion and information exchange.

The *InfraNet* is the network of infrastructure professionals convened by the National Investment Office within DPER. Following on from the successful international conference ‘Infrastructure in an Era of Uncertainty’ in 2019, the InfraNet was brought together to:

- Provide a forum for experts to critically examine public investment governance, reforms and innovations.
- Engage with experts in the public sector and delivery bodies to share best practice.

The NIO has organised a series of events under the InfraNet banner, as well as the Spring Conference 2021, with a focus on topical areas such as Housing and Climate Considerations for Investments. This facilitates the input of a number of internal and external experts on key policy considerations to help share knowledge.

## Actions:

28. Embed and regularise the Public Infrastructure Network (InfraNet) to foster the community of public investment professionals. **(NIO)**
29. Hold regular networking events with guest speaker briefings and continue hosting the annual conference. **(NIO)**
30. Draw supports from other existing models of professional networking at sectoral level (e.g. Office of the State Architect managed CPD and central guidance model for OPW). **(NIO /OPW)**

## Area 12: Ensure that the Public Spending Code supports delivery through the project lifecycle

The updating of the Public Spending Code (PSC) has considerably improved the relevance and quality of guidelines for project appraisal, planning and management. This progress should be built upon to incorporate further guidance including the potential for digital platforms where appropriate. The delivery of construction projects on time and within budget which meet the scope and quality required remains a challenge for both the public and private sectors. While there are many complicating factors, the adequacy of the up-front work before tendering, and capable and robust contract management thereafter are the two key factors in successful delivery. The Department of Public Expenditure and Reform (DPER) has strengthened capital governance in recent years, but much still hinges on the capacity and capability of individual delivery within sponsoring authorities. Recent work by the NIO in DPER indicates the magnitude of the work required to strengthen delivery. While DPER now gathers some data on NDP delivery through a Capital Projects tracker, it is for a subset of large projects and is manually gathered. The Department does not have data on programme delivery and performance, excepting aggregate expenditure data. Therefore, it will prove challenging to assess the effectiveness of reforms without a baseline to measure against.

The OGP provides the procurement policy framework for capital delivery, in addition to practical supports and guidance. It is clear that additional digital tools are required to assist public bodies in managing delivery and its associated governance and risks, and it would substantially improve data gathering and analysis to inform policy making and performance reporting. It would also afford the opportunity to integrate the requirements of the Public Spending Code and the Capital Works Management Framework. Such a system could be deployed progressively and in a targeted fashion as functionality is developed.

## Actions:

31. Issue further Public Spending Code guidance to support delivery of projects (e.g. financial appraisal, programme appraisal etc.). **(NIO)**
32. Issue guidance for project selection including on capital grant schemes as part of the Public Spending Code. **(NIO)**
33. Explore the option for establishing a digital platform to assist public officials in developing projects through the delivery phases. **(NIO,GCCC, OGCIO)**

## Implementation

34. Implementation of the actions in this report will be monitored by the Supporting Excellence Leadership Group (Action 27). **(SELG)**

## Appendix 1: Terms of Reference of Action Team

### Background

EY was engaged by the Structural Reform Support Service of the European Commission on behalf of the Department of Public Expenditure and Reform, to review the Irish Government's capital project and programme delivery capability, with regards to the remit under the National Development Plan.

The mandate of the Review included:

- Identifying existing capability challenges across the public service;
- Identifying actions required to optimize the delivery of public capital investment informed by international practice; and
- Recommending structures to support, develop and modernise the State's delivery practices.

The EY report [Supporting Excellence: Capital Project and Programme Delivery Capability Review](#) was published in March 2021. It provides a broad overview of strengths and challenges in the public infrastructure system. It notes that there are pockets of excellent practice (e.g. Roads, Water infrastructure) but that some sectors, which will see a major ramp-up in capital investment over the NDP, require an upgrade in capacity and/or enhanced supports from the centre. A key recommendation of the report is that the National Investment Office (NIO) in DPER convenes an action group comprising of internal/external experts to tailor and set out a roadmap for implementation of the proposed solutions in more detail.

### Purpose of the Action Group

- To consider how the existing suite of central and specialised services, guidance and knowledge could best be coordinated and configured to develop the national infrastructure "backbone" that can more coherently support the industry within the public service.
- To advise on effective implementation of associated recommendations of the Review, and practical steps to build capacity within the public infrastructure landscape.
- To consider how the Report's proposed approach can best be tailored for implementation across various sectors, including in light of the self-assessments provided by Departments as part of the NDP review process, of their sector's capability to deliver the capital programme.
- To consult with the Project Ireland 2040 Delivery Board and Co-Ordination Group as appropriate.
- To submit a final report to the Minister for Public Expenditure and Reform in summer 2021.
- It is envisaged that the Action Group will meet approx. six times.

### Membership

The Action Team has representatives from:

- National Investment Office, Department of Public Expenditure and Reform (DPER) (Chair)
- Office of Government Procurement (OGP)
- Office of Public Works (OPW)
- National Development Finance Agency (NDFA)
- Department of Transport
- Department of Housing, Local Government and Heritage
- Department of Environment, Climate and Communications
- Department of Further and Higher Education, Research, Innovation and Science

- Department of Education
- Department of Tourism, Culture, Arts, Gaeltacht, Sports and Media

**Reporting**

The Secretariat for the Group will be provided by the National Investment Office, DPER.

## Appendix 2: Main supports for capability delivery provided by central organisations

### 1. The National Investment Office (NIO) in DPER

The Government's multi-annual combined public investment plan and national spatial strategy – Project Ireland 2040 – will continue into 2022 and beyond. The purpose of the NIO is:

- To continue to develop and embed reforms to public investment appraisal and governance; and enhance the external assurance of public investment business cases;
- To support the portfolio management of the National Development Plan;
- To drive reforms in public sector delivery performance through actions in the Supporting Excellence Review;
- To drive reforms in construction sector performance and
- To lead the communications function for Project Ireland 2040.

### 2. National Development Finance Agency (NDFA)

The main functions of the National Development Finance Agency are to:

- Provide financial advice to State authorities in respect of public infrastructure projects which are referred to it. The NDFA's advice should, in general, be sought and at an early stage on a) all PPP projects and b) all projects with a capital value exceeding €75 million. The NDFA is also available to provide financial advice on projects below €75 million as appropriate.
- Procure and deliver Public Private Partnership (PPP) building projects for State authorities; currently in the housing and higher education sectors and previously in the schools, justice and health sectors.
- Provide operational PPP contract management services to Department of Education (DoE), Department of Further and Higher Education, Research, Innovation and Science, Department of Housing, Local Government and Heritage, and the Office of Public Works.
- Procure and deliver Exchequer-funded (non-PPP) building programmes on behalf of the DoE.

### 3. Office of Government Procurement (including the Commercial Skills Academy)

The Office of Government Procurement (OGP) is an office of the Department of Public Expenditure and Reform. Established in 2014 as part of a key element of public service reform, together with its sector sourcing partners in Health, Local Government, Education and Defence, it has responsibility for sourcing sixteen categories of goods, services and minor works on behalf of the public service. In tandem with this key operational role it has responsibility for the development of procurement policy in line with EU procurement rules and Government policy. The OGP also provides eTenders, the national electronic tendering platform on behalf of Government and the associated platform support services (maintenance, helpdesk, user management), facilitating the engagement of buyers and suppliers in tendering competitions.

The construction policy unit in the OGP manages and maintains the Capital Works Management Framework which represents the tools that a public body must use to procure and manage the external resources necessary to deliver a public works project that is to be delivered under the Exchequer-funded element of the National Development Plan. It also chairs the Government Contracts Committee for Construction; a key policy forum comprising all of the bodies charged with the delivery of Exchequer-funded public works projects.

The unit advises the Minister and senior officials, including the Chief Procurement Officer on all matters related to construction procurement.

#### **4. The Commercial Skills Academy (at the Office of Government Procurement)**

The primary aims of the Commercial Skills Academy, (CSA), at the Office of Government is to (a) enhance the commercial delivery capabilities of key spending departments and public sector bodies through focussed training programmes, and (b) provide learning events to promote best practice and to assist in developing a practitioner network. The Commercial Skills Academy was established in 2019 to provide training for public service managers to gain an understanding of key issues, commercial skills, and best practice approaches for effective project delivery throughout the entire lifecycle of the project. Public procurement projects are often complex and even the best planned projects can be impacted by unforeseen circumstances. In this context, public servants need to be armed with commercial skills to address these issues in a timely and effective fashion.

#### **5. The Office of Public Works**

The Office of Public Works (OPW) delivers public services for flood protection, managing government properties and heritage services.

The OPW, as the leading agency for flood risk management in Ireland, minimises the impacts of flooding through sustainable planning. A core part of its remit is maintaining and presenting Ireland's most iconic heritage properties, including Ireland's two World Heritage Sites, 780 National Monuments and over 2,000 acres of gardens and parklands. It also manages a significant part of the State's property portfolio and provides accommodation for government departments, over 700 Garda Properties and approximately 550 offices.

Services provided by the OPW include:

- Delivery of Building Construction Projects
- Delivery of Flood related Construction Projects
- Advisory Services for Government and State Agencies for building and property needs including the care of Heritage buildings owned and occupied by the State.
- Policy Development and Regulations in respect to the built environment
- Training and Development

## Appendix 3: Main Groups that support the delivery of Project Ireland 2040

### Project Ireland 2040 Delivery Board

Project Ireland 2040  
Co-ordination Group

Supporting Excellence Leadership Group

### National Investment Office, DPER

Major Projects Advisory Group

### Construction Sector Group

Innovation and Digital Adoption Sub-group

## Glossary:

| <b>Glossary</b> |  |
|-----------------|--|
| <b>Acronym</b>  | <b>Definition</b>  |
| CSA             | Commercial Skills Academy  |
| CSG             | Construction Sector Group (Ireland)  |
| CWMF            | Capital Works Management Framework   |
| DE              | Department of Education  |
| DECC            | Department of the Environment, Climate and Communications                    |
| DFHERIS         | Department of Further and Higher Education, Research, Innovation and Science |
| DHLGH           | Department of Housing, Local Government and Heritage                         |
| DH              | Department of Health   |
| DPER            | Department of Public Expenditure and Reform                                  |
| DTCAGSM         | Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media             |
| EPC             | Energy Performance Contract  |
| GCCC            | Government Contracts Committee for Construction                              |
| NDFA            | National Development Finance Agency  |
| NDP             | National Development Plan  |
| NIO             | National Investment Office, DPER   |
| OGCIO           | Office of Government Chief Information Office                                |
| OGP             | Office of Government Procurement   |
| OPW             | Office of Public Works   |
| PPP             | Public Private Partnership   |
| SEAI            | Sustainable Energy Authority of Ireland                                      |
| SELG            | Supporting Excellence Leadership Group                                       |



**An Roinn Caiteachais**  
**Phoiblí agus Athchóirithe**  
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