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Via email – committee.publicaccounts@niassembly.gov.uk

Dear Daniel

PUBLIC ACCOUNTS COMMITTEE EVIDENCE SESSION: 29 JANUARY 2026

In advance of the evidence session on the Follow Up Report on Major Capital Projects, I thought it would be useful to provide an updated Highlight Report on the progress of the 12 Enabling Actions which was presented to the ISNI Committee on 13 January 2026.

I have also attached the DoF Review of Better Business Cases NI (BBCNI) which is referenced in the Follow Up Report (recommendation 9).

Yours sincerely

NEIL GIBSON

ANNEX A – ENABLING ACTIONS HIGHLIGHT REPORT
ANNEX B –DOF REVIEW OF BBCNI

Copy Distribution List

Sharon Smyth

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David Killops

ISNI Committee Meeting –13th January 2026

Paper ISNI Enabling Action Plan Highlight Report

1.0 Overview

This paper provides an update to the ISNI Committee of progress over the delivery reporting period December-January on each of the ISNI Enabling Actions.

The dashboard in Section 2 provides a summary status for each of the projects, as well as a RAG rating and timeline for delivery of next milestone(s). The RAG status of 8 Enabling Actions is Green with the following 4 rated as Amber:

Enabling Action 3 remains rated as Amber as the expected delivery of the Phase 1 report has slipped from September 2025 to March 2026, progress is however on track against this revised date. The end-to-end review of DE/EA is now largely complete and since November 2025 engagement has taken place with all departments with the exception of DAERA.

Enabling Action 6 despite NICS Board agreement in December 25 to accelerate data upload, this action remains rated as Amber until progress in data upload from departments can be accurately assessed.

Enabling Action 7 remains rated as Amber due to the impact of the ISNI and associated Investment Plan not being approved by the Executive, meaning large parts of scope now not being deliverable. A revised scope was agreed by ISNI Committee which avoids this impediment and allows work to progress over the next 6 months to March 2026, progress will be monitored against the new time frame.

Enabling Action 11 remains rated as Amber due to issues relating to the RoI part of the N-S Interconnector and the requirement for primary legislation for a proposed support scheme. Both issues add risk to achieving the target.

The highlight reports in Section 3 provide a summary of objectives and deliverables for each of the Enabling Actions, and key activities undertaken in the delivery period since the last update in November 2025. An update on pending milestones, resourcing and risks/issues/concerns is also provided.

A list of delivered milestones has been added in Appendix 1.

2.0 Dashboard

Project	Sponsor	SRO	Status/Next Steps	Previous RAG status	Current RAG status	Next Milestone	Milestone Delivery
1: Infrastructure Profession(s) Workforce Planning	SIB (interim) ⚡	SW ⚡	Collect Workforce data from ALBs. Finalise Atkins report on ISNI resource needs. Compare both	G	G	Data collection from ALBs complete. Complete Report on ISNI resource needs	Q1 '26
2: Capacity & Capability Planning & HR Policies	SIB (interim) ⚡	SW ⚡	Complete Pay & Reward BC & respond to P&OD queries	G	G	Approval of DfI Pay & Reward BC	Q1 '26
3: Business Case Process	SIB (interim) ⚡	SW ⚡	Complete Engagement and draft Report, Phase 2 workplan, AI pilot project commenced	A	A	Draft Report for Phase 1	Q1 '26
4: Planning Improvement - Short to Medium Term	DfI >>>	SA >>>	Progress milestones 2 & 3 - review of Planning Regulations, Engagement with Planning Authorities	G	G	Review of Planning Regulations. Engagement with Planning Authorities	Q1 '26
5: Planning Improvement - Medium to Longer Term	DfI, SIB >>>	SW >>>	Progress Ph 1 Financial Sustainability and commence AI Pilot	G	G	Ph 1 Financial Sustainability Report. AI Pilot report	Q2 '26
6: Monitoring & Assurance	SIB >>>	SW >>>	Preparation of reporting outputs for PAC	A	A	Target completion of project data upload by users	Mar '26
7: Procurement	DoF >>>	SS >>>	Next steps: As-Is report and commencing report on comparative analysis	A	A	Report on As-Is purpose, scope and processes across all construction CoPEs	Mar '26
8: Social License	SIB >>>	SW >>>	Finalise RPA and PRA guidance. SIB and SRO events in Jan and Feb. Complete final guidance	G	G	SIB and SRO events. Final guidance to be completed by March 26	Jan '26
9: Alternative Governance & Financing Models	SIB >>>	SW >>>	Draft paper for consideration and discussion complete	G	G	Await feedback and if required plan next steps	Sep-25
10: Infrastructure Needs Assessment	SIB >>>	SW >>>	Phase 2 proceeding as planned. Options for Phase 3 will be presented in May 2026	G	G	Phase 2 report	Mar '26
11: Energy Legislative & Regulatory Priorities	DfE >>>	IS >>>	Explore feasibility of new reporting approach. Progress DfE workstreams	A	A	Publication of High-Level Design for Smart Meters	Jan '26
12: Carbon Management in Infrastructure	DfI, SIB >>>	CW >>>	Preparation of an Infrastructure Sectoral Plan (ISP) and finalising an SOC for carbon management	G	G	Initial draft ISP to be prepared	May '26


RAG Status Indicators


Red: Indicates high risks or significant issues, such as budget overruns, delays or scope changes.


Amber: Indicates moderate risks or potential issues. Amber projects may have missed some targets but can still be managed within approved limits.

Green: Indicates that the project is on track and performing well, with no significant concerns.


3.0 Highlight Reports


Enabling Actions	1: Workforce Planning for Infrastructure Profession(s) and Delivery Capacity & Capability	
SRO	Scott Wilson (SIB) interim	
Project Lead	Kevin Hegarty (SIB) interim	
Project Objectives	The objective of the discovery phases is to complete preparatory workforce planning investigations with ALBs and the private sector which will identify areas of focus and the resources required to initiate the first phase of the project.	
Project Deliverables	Discovery Phase 1 – Report detailing proposed workstreams (Complete) Discovery Phase 2 – Workstreams agreed that will output a summary report per workstream	
Key Activities Undertaken in this Delivery Period (Dec - Jan)	<ul style="list-style-type: none"> ○ Workstream 1a (Establishing Best Practice in Workforce Planning across all big spending ALBs). Jobs taxonomy template issued to ALBs in Dec to collect HR data and skills information on staff involved in delivering major capital projects. Delays in getting health nominations means delay to end of Jan to collect data. Ongoing engagement with P&OD and Integr8 team. ○ Workstream 1b (Private sector delivery capacity & capability) – Reviewing Atkins Realis progress. 	
Main Focus during Next Period (Feb-Mar)	<p>Workstream 1a – Analysing ALB workforce data responses and compare to Atkins work to identify capacity & capability gaps.</p> <p>Workstream 1b – Private sector skills baselining and needs analysis for ISNI Projects. Finalising Atkins Report. Meeting with DfE skills, CITBNI & CEF to consider how to address capacity & capability gaps expected to be highlighted in WS 1a and 1b</p>	
Update on Next Milestones	Workstream 1a (Workforce Planning) Resource data sharing requests and requests for nominees issued.	Ongoing - All ALBs (except Belfast Trust) have nominated reps. Template issued in Dec to collect data. Ph 2 Scoping due Q1 2026 still possible if ALB data responses submitted on time.
	Workstream 1b (Private Sector Capacity and Capability) Skills baselining and needs analysis for ISNI Projects.	Ongoing - Work on-going with Atkins, DfE, CITBNI & CEF. Report due Q1 2026 – slight delay possible due to delay in commencing ALB data collection.
Resourcing	SIB continuing to assume SRO role and resourcing of workstreams	
Risks/Issues/Concerns	The continued absence of Executive approval of the ISNI and Investment Plan will impact progress in engagement with ALBs and for private sector skills baselining	
Current RAG Status and Change since Last Reporting Period	Green 	


Enabling Actions	2: Capacity and Capability, HR Policies	
SRO	Scott Wilson (SIB) interim	
Project Lead	Kevin Hegarty (SIB) interim (Colin Woods co-lead for Workstream 2a)	
Project Objectives	The objective of the discovery phases is to complete preparatory work with departments which will identify areas of focus and the resources required to initiate the first phase of the project.	
Project Deliverables	Discovery Phase 1 – Report detailing proposed workstreams (Complete) Discovery Phase 2 – Workstreams agreed that will output a summary report per workstream	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> ○ Workstream 2a (Addressing Dfl (TRAM) Capacity and Capability Barriers) – SIB P&T Reward & Recognition OBC for Dfl ongoing and on track for submission Dec '25. Dfl is considering the appropriateness of progressing with seconded staff from SIB to Dfl pending the A5 Appeal outcome. ○ Workstream 2b (Accountability for Public Spending) – Correspondence issued to P&OD with meeting scheduled for 9th January to discuss alignment and agreeing how to avoid duplication between ISNI & People Strategy. 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> ○ Workstream 2a – Respond to any P&OD queries on P&T Reward & Recognition OBC. Respond to Dfl as appropriate on additional resources BC. ○ Workstream 2b (Accountability for Public Spending) - The initial stages will now be taken forward as part of Workstream 1a and 1b through mapping what skills are required for ISNI projects and their delivery. 	
Update on Next Milestones	Workstream 2a - Progress Report to ISNI Committee.	P&T R&R OBC on track for Completion Dec 25. Dfl are considering the situation with the A5 appeal before signing off SIB's Recruitment BC for additional staff.
	Workstream 2b - Progress Report to ISNI Committee	Progress report to March ISNI Committee
Resourcing	Dfl and SIB jointly leading workstream 2a. SIB continuing to lead workstream 2b. Once the first phases of workstreams 2a and 2b are complete, a proposal outlining the future SRO role and resourcing will be considered by ISNI Committee.	
Risks/Issues/Concerns	BC for additional Dfl resources delayed.	
Current RAG Status and Change since Last Reporting Period	Green 	


Enabling Action	3: Business Case Process	
SRO	Scott Wilson (SIB) interim	
Project Lead	Patrick McMeekin (SIB)	
Project Objectives	<p>The objective of the project is to produce actionable recommendations that lead to improvements to the business case process and approval of expenditure.</p> <ul style="list-style-type: none"> • 14 Jan '25: ISNI Committee agreed to the plan of work. • 28 Jan '25: NICS Board agreed to plan of work. • Nov '25: ISNI Committee agreed to bring additional departments into the scope of Phase 1 and extend timing of Phase 1 report to Mar '26. 	
Project Deliverables	Implementation aims to remove inefficiencies in the business case process, reduce production and approval timescales, and provide the information required by the ISNI Committee to perform its progress monitoring responsibilities on behalf of NICS Board.	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> • Engagement has taken place with all departments with the exception of DAERA. • The end-to-end review of DE/EA is now largely complete. • AI in business cases pilot project now underway (additional to original Phase 1 scope, commissioned to inform Phase 2) 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> • Complete engagement and phase 1 report • Develop objectives and workplan for phase 2 (including internal ISNI Team workshop 7th Jan) and engage with DoF for agreement by March. • AI Pilot: AI in business cases • Commence end-to-end review for DoH – Dept of Health 	
Update on Next Milestones	Milestone 4: Final report to ISNI Committee	Mar '26
Resourcing	Scott Wilson (SIB) is the interim SRO for the project until a more suitable permanent SRO is identified; Patrick McMeekin (SIB) is leading the project, working with DoF.	
Risks/Issues/Concerns	Benefits will not be realised fully without a managed change programme and more involvement of DoF, certainly in Phase 2.	
Current RAG Status and Change since Last Reporting Period	Amber 	


Enabling Action	4: Short to Medium Term Planning Improvements
SRO	Susan Anderson (DfI)
Project Lead	Rosemary Daly (DfI) Kevin Hegarty (SIB) (engaging with DfI on behalf of the ISNI Committee)
Project Objectives	Support the DfI Planning Group with the implementation of short-term improvements to enable a more efficient and effective Planning System working with statutory consultees, councils, the planning appeals system and other relevant stakeholders.
Project Deliverables	<ul style="list-style-type: none"> - The agreed Planning Improvement Joint Work Programme (Ph 1 & 2) - Refocus on key areas of action with the most potential to positively impact on planning performance.
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> • Officials continue to consider the findings from engagement with the 12 planning authorities and observations of the Planning Committees. Regular engagement is now embedded. • Officials are working in partnership with NILGA to identify committee training, share best practice, and provide advice to elected members on planning improvement and regional planning issues, where appropriate. • The Minister has endorsed the establishment of an annual Ministerial-led Planning Engagement Forum to engage elected members in the planning improvement agenda. • The second phase of the review of the Development Management Regulations continues, with work focusing on a review of the Schedule of classes and thresholds of development for local, major, and regionally significant development. • A bespoke Trainee Planner Programme has been developed in partnership with RTPI, Belfast Metropolitan College, and four local councils which aims to strengthen future workforce capacity and resilience within the planning system. Following a recruitment process, the Programme is on target to launch in January 2026. • The public consultation seeking views on introducing charges for planning services that are not currently subject to fees closed on 23rd December 2025, and officials are currently considering responses received. The department is engaging with SOLACE / local government regarding further details on the financial sustainability workstream. • Work is continuing with councils on the next steps for improving the LDP process, and work has commenced on updating associated guidance. • The report of the Interim Regional Planning Commission was received by the Minister for Infrastructure in November 2025. Officials are currently reviewing the report and considering its recommendations. • Officials are continuing to work on and progress all other actions within the PIP, including the regional report on the planning system and proposals to appoint Independent Persons.
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> - DfI will continue working on the actions contained within the PIP as agreed by the Minister for Infrastructure.


Update on Next Milestones	Milestone 2: Review of the Planning (Development Management) Regulations (NI) 2015	On Track – Q4 25/26
	Milestone 3: Engagement with Planning Authorities and elected representatives	On Track – Q3 25/26
Resourcing	<p>Dfl SRO and Project Lead in place. Kevin Hegarty (SIB) will work to identify areas to best support Dfl on behalf of the ISNI Committee.</p> <p>To note: Susan Anderson has been appointed as acting Deputy Secretary of Climate, Planning and Public Transport Division, and as such will be the SRO for this workstream.</p>	
Risks/Issues/Concerns	<p>Dfl will continue to play a key role in bringing forward improvements to the planning system in collaboration with other key stakeholders, including the 11 councils, statutory consultees, and the Planning Appeals Commission.</p> <p>PIP is a joint programme with local councils, who carry out the majority of planning functions. As such progress and implementation of the various actions is dependent upon delivery by both central and local government working collectively to achieve better outcomes.</p> <p>Progress and delivery are also subject to Ministerial agreement and statutory timeframes, particularly for those workstreams involving legislative change.</p> <p>Improvements to the planning system also rely on key components of the system such as statutory consultees, being adequately resourced.</p>	
Current RAG Status and Change since Last Reporting Period	<p>Green</p> 	


Enabling Action	5: Medium to Longer Term Planning Improvements	
SRO	Kevin Hegarty (SIB)	
Project Lead	Kevin Hegarty (SIB) supported by Rosemary Daly (Dfl)	
Project Objectives	Support key stakeholders in the planning system through the identification and implementation of medium and long-term planning improvement initiatives, that accord with the Programme for Government, to ensure that the planning system works for the well-being of businesses, people, and the environment.	
Project Deliverables	<ul style="list-style-type: none"> Phase 1: Scoping & Discovery Landscape Review considering other jurisdictions. Delivery of Scope of Works & Schedule for each of four 'Workstreams' 	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> Draft of Turleys landscape review submitted – SIB feedback provided. Final draft due mid-Jan Meetings with Dfl & Councils re Financial Sustainability Workstream – Scope set out; SIB Associate appointed with work commenced. Initial mtgs held with Dfl and Council staff. Dfl Perm Sect letter issued to SOLACE to gain mandate from Councils for work. Planning Ai selected by City & Growth Team for Pilot study commencing Jan 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> Progress Financial Sustainability work – develop process map, highlight regulatory & legislative requirements; meetings with Dfl & Council Planners. Draft report for end Feb. Progress Ai Pilot under City & Growth deal funding. Possible Workshop with Dfl staff planned for late Feb. WS3 dependent on NIAO report into Planning Appeals Committee (latest indications are Jan 26 for release with draft sent to PAC & Dfl in December) Complete Landscape Review considering other jurisdictions 	
Update on Next Milestones	AI Discovery Phase report & scope for Pilot	Pilot agreed to commence Q1 26
	Cost recovery in support of the longer-term financial sustainability of the planning system Discovery Phase report & scope for Pilot (subject to ISNI Approval and agreement with Councils)	Awaiting confirmation from SOLACE and Council Heads of Planning they are content to progress – expected Jan 26
Resourcing	Kevin Hegarty (SIB) will work with Dfl and others on behalf of the ISNI Committee. Additional resources will be required to support the delivery of this work (set out in the forward workplan)	
Risks/Issues/Concerns	<ul style="list-style-type: none"> The continued absence of Executive approval of the ISNI and Investment Plan will impact progress in particular in workstreams that rely on engagement with ALBs and Councils. 	
Current RAG Status and Change since Last Reporting Period	Green 	

Enabling Action	6: Monitoring & Assurance	
SRO	Scott Wilson (SIB)	
Project Lead	Suzanne Allen (SIB)	
Project Objectives	To address inefficiencies in current manual processes of capital project data collection.	
Project Deliverables	<ul style="list-style-type: none"> • To deliver a ‘one source of the truth’ data portal with self-service dashboard and reporting functionality. • To enable project assurance reporting functionality within CPD. 	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> • Communication with Permanent Secretaries, SROs and P3Os regarding prioritised data collection for the c 50 projects that are under consideration by PAC – deadline for receipt 19 Dec ‘25 <ul style="list-style-type: none"> ◦ Reviewing returns received – verbal update at ISNI Com Mtg • Quality assurance and analysis of PAC project data. • Refinement of reporting outputs for PAC. • Ongoing refinements/continuous improvement to DataMAP functionality. • Ongoing back-end, front-end and user admin. 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> • Respond to any feedback or information requests from PAC. • Communication of phased data collection to target completion by end-March which may be dependent on Executive agreement of the budget. • Cross-reference DataMAP with committed projects from Departmental 4-year capital budgets (when agreed) to ensure completeness. • Communication of legacy Delivery Tracking System close down at end-March. • Amendments to Data Governance Strategy to incorporate user feedback. • Development of reporting functionality (ongoing). • Meeting with Irish Government re data collection and reporting outputs (TBC). 	
Update on Next Milestones	Target completion of project data upload by Departments and their delivery bodies.	End-March ‘26
Resourcing	Being managed within SIB, with additional inputs from EY to supplement available resource.	
Risks/Issues/Concerns	Rate of data upload has been slow due to data availability and some reluctance to participate. Significant ongoing effort will be required to reinforce the requirement to provide project data. The lines included in DoF’s budget paper will greatly assist in making this requirement clear.	
Current RAG Status and Change since Last Reporting Period	Current: Amber Last report: Amber 	


Enabling Action	7: Procurement	
SRO	Sharon Smyth (DoF)	
Project Lead	Jane Mellor (SIB)	
Phase 1 Objectives (Agreed at Sep 2025 ISNI Committee)	<ul style="list-style-type: none"> Report outlining As-Is processes, capacity and skills across CoPEs. Report describing lessons from the pilot comparison of procurement process timescales (i.e. comparative analysis pilot). 	
Project Deliverables	<ul style="list-style-type: none"> Comparative analysis between NI and other jurisdictions. Report outlining As-Is processes, capacity and skills across CoPEs. Integrated procurement plan, including an ISNI procurement pipeline. Robust data collection and reporting. 	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	Phase 1 <ul style="list-style-type: none"> 2 workshops held with working group to present and discuss findings from comparative analysis pilot. Given comprehensive nature of pilot comparative analysis, decision taken by working group not to extend pilot except for gathering some data regarding community health projects. All CoPEs returned data for As-Is processes, capacity & skills. Work underway to draft report based upon CoPEs' As-Is data. 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> Further develop response to comparative analysis pilot. Draft report summarising approach to pilot comparative analysis, findings and resulting response. 	
Update on Milestones (rescoped milestones as set out in paper 43-25 to Sept ISNI Committee)	Milestone 3: Draft As-Is analysis of capital works procurement and contractor facing activity produced	Jan '26 Status: Green
	Milestone 4: Pilot comparison of procurement process timescales report produced (i.e. comparative analysis pilot)	Mar 2026: Status: Green
Resourcing	Part time project lead; funding available until end of March 2026.	
Risks/Issues/Concerns	<ol style="list-style-type: none"> Issue: There is a resistance among CoPEs to accept the outworking of the comparative analysis in terms of the comparative procurement process timescales and best practice used elsewhere. CoPEs have been asked to provide proposals on how they are going to meet the commitments in the 10-year Investment Period. Issue: NIHE has advised that its budget has been reduced significantly and that various options for delivery are being presented at the NIHE Board meeting in August 2025. They advised that following this they may have a clearer understanding of the capital and maintenance budget and will provide update as soon as possible after the options have been worked through. Issue: Lack of data from DoH and Translink on the maintenance procurement pipeline and general timescales for EA7 Working Group members to respond to requests for information. Issue: DoH has confirmed it is carrying out a review of their capital programme which may change the priority of projects on the draft plan, the outcome of this review would be on the critical path for the completion of the integrated plan and procurement pipeline. 	
Current RAG Status and Change since Last Reporting Period	Current: Amber (previous status retained for phase 1 until ISNI is agreed). Last report: Amber 	

Enabling Action	8: Social License	
SRO	Scott Wilson	
Project Leads	Stephen McGowan (SIB Projects) and Jean Wylie (SIB Comms)	
Project Objectives	Embed the concept, elevate the importance and improve the practise of Social License across the ISNI Investment Plan and in the planning and delivery of infrastructure and major capital projects.	
Project Deliverables	Phase 1 of the project established a Social License pathway approach, including agreed terminology and scope at ISNI programme and individual capital project level. Phase 2 workplan over 2025-26 will deliver project level guidance, programme level comms strategy and implementation initiatives, and direct support to pilot pathfinder projects.	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> • Feedback received from DoF on draft guidance for Milestones 4 (risk assessments) and 5 (Gateway Review panels) and further discussions to finalise during January. Draft approach strengthens social license lens in established assurance processes to instigate and embed systemic change in how social license is supported during the planning, delivery and monitoring of major projects and programmes. • Social License Lead and associated input continued on Pathfinder project to enhance a social license focus within the Magee Campus Expansion Programme and its investment in Derry~Londonderry. Work included development of 'One Year On' update report from the Magee Expansion Taskforce. • SIB internal conference on Social License (project managers and wider professions/staff) and 'Community of Interest' launched on 27th Jan. 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> • Progress and complete 2025/26 workplan. • Delivery on DfE Pathfinder on Magee Expansion Programme, and continue discovery phase on Belfast Rapid Transit (Dfl) • SRO event planned for 11 Feb. This event and Jan SIB conference will increase awareness and provide input to strategy, toolkit and implementation initiatives. 	
Update on Milestones	Milestone 2: Develop ISNI Communications Strategy (tbc as ISNI not yet approved by Ministers)	tbc 2026
	Milestone 6: First draft Guidance to support PPN 01/21 Social License workstream	Mar 2026
Resourcing	Being managed within SIB and with pathfinder project partners	
Risks/Issues/Concerns	ISNI comms strategy contingent on approval of the ISNI by Ministers – Milestone 2 has been designated tbc until this timeframe more certain.	
Current RAG Status and Change since Last Reporting Period	Green 	

Enabling Action	9: Alternative Governance & Financing Models
SRO	Scott Wilson (SIB)
Project Lead	Michael Donnelly (SIB), supported by; <ul style="list-style-type: none"> • Mark O'Donnell (DfC) (for Social Housing only) • Colin Woods (Dfl) for Water and Public Transport • Tracey Teague (DAERA) for Advisory input on Climate Action • Jeff McGuinness (DoF) for finance review
Project Objectives	To prepare an options appraisal and make recommendations to generate additional infrastructure finance and funding for the Executive's consideration.
Project Deliverables	To support infrastructure sectors impacted by significant funding shortfalls with the identification and/or implementation of alternative governance and financing options. EA9 deliverables were split over 6 phases: <ul style="list-style-type: none"> • Phase 1: Confirmation of need. Complete. • Phase 2: Consideration of approaches to optimize investment need. Complete • Phase 3: Options appraisal for delivering investment need. Complete • Phase 4: Financial Modelling: Complete • Phase 5: Engagement with DoF on repayment options. Complete • Phase 6: Recommendations and implementation plan. Complete
Key Activities Undertaken in this Delivery Period (Oct-Nov)	<ul style="list-style-type: none"> • All Phases completed • Final draft paper with recommendations issued to FM and dFM for discussion.
Main Focus during Next Period (Dec-Jan)	<ul style="list-style-type: none"> • Await briefing and feedback from FM and dFM.
Update on Milestones	<ul style="list-style-type: none"> • All milestones completed in September 2025
Resourcing	<ul style="list-style-type: none"> • Resourced by SIB with input from Dfl, DfC, DoF
Risks/Issues/Concerns	<ul style="list-style-type: none"> • Subject to feedback from FM and dFM.
Current RAG Status and Change since Last Reporting Period	Green 

Enabling Action	10: Infrastructure Needs Assessment	
SRO	Scott Wilson (SIB)	
Project Lead	Johann Gallagher (SIB)	
Project Objectives	Develop and implement an approach to a long-term Infrastructure Needs Assessment to inform priorities for the next ISNI.	
Project Deliverables	The first deliverable was a Landscape Review report for economic infrastructure (Phase 1), followed by a similar report for social and environmental infrastructure (Phase 2). The two reports combined will inform advice to ISNI Committee on an approach to the future Infrastructure Needs Assessment to inform Investment Planning.	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> • Desk research for Phase 2 is almost complete. Report write up is underway. • Engaged Institution of Civil Engineers (ICE) as part of its Enabling Better Infrastructure (EBI) Programme to peer review our approach to the Infrastructure Needs Assessment. ICE has agreed to provide advice, drawing on the experience of selected international experts. ICE will host two dialogue sessions between February and April 2025 (subject to availability of experts). ICE will present a summary findings report to SIB. This report will be used to inform options to Phase 3 which is the Assessment itself. • Commissioned consultancy company called Trajectory to prepare strategic infrastructure planning scenarios to inform the Infrastructure Needs Assessment. This focus on Scenario Planning was one of the recommendations in the Phase 1 Landscape Review. Trajectory hosted a workshop for the SIB Investment Planning team in December 2025. 	
Main Focus during Next Period (Feb-March)	<ul style="list-style-type: none"> • Draft Phase 2 report. • Continue to work with Trajectory to develop the draft Infrastructure Planning Scenarios. • Work with ICE to facilitate the dialogue events which will help shape our proposed approach to the Infrastructure Needs Assessment. • Collate background information, including the Phase 1 report, to share with the ICE experts and dialogue participants to give context to the infrastructure planning work in Northern Ireland. 	
Update on Milestones	Milestone 2: Phase 2: Final Report	May '25 - March '26
Resourcing	Being managed within SIB, with departmental sector leads providing input.	
Risks/Issues/Concerns	Experience of delivering Phase 1 has been taken into account when developing the timescale for Phase 2.	
Current RAG Status and Change since Last Reporting Period	Green 	

Enabling Action	11: Energy Legislative & Regulatory Priorities	
SRO	Ian Snowden (DfE)	
Project Lead	Rachel Sankannawar (SIB embedded in DfE)	
Project Objectives	To determine the legislative and regulatory changes required to facilitate investment in energy infrastructure and decarbonisation.	
Project Deliverables	Prioritisation and delivery of appropriate actions, policy and legislation required to meet the statutory target for 80% of electricity consumption to be from local renewable generation by 2030.	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> • First meeting of the 80 by 30 Steering Group held. • Future Energy Modelling Group established • Engagement with SONI, NIE Networks, and the Utility Regulator on accelerating delivery of the Transmission Development Plan (TDPNI) 2023–2032 and the RP7 investment plan rollout. • Launch of grid connections costs policy on 26 November • Publication of Strategic Planning Policy Statement on Renewable and Low Carbon Energy in early December • Publication of the mid-term review of the Energy Strategy on 18 December. 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> • Address resourcing and capability issues in the Bill team in DfE and progress drafting of legislation for the Renewable Electricity Support Scheme • Publish the High-Level Design Plan for Smart Meters. • Engage with delivery stakeholders to explore feasibility of a two-tier reporting approach. • Engage with NISRA on factoring electricity imports through the Moyle interconnector into presentation of quarterly statistics on the proportion of electricity generated from renewable sources 	
Update on Milestones	Milestone: Publication of High-Level Design Plan for Smart Meters.	By January 2026
Resourcing	Being managed within DfE.	
Risks/Issues/Concerns	<ul style="list-style-type: none"> • Delivery of the 80% renewable electricity target is highly dependent on external stakeholders operating under distinct legislative mandates and funding mechanisms. Conflicting statutory frameworks, such as the Energy Order governing grid stakeholders and the Utility Regulator, create complexity. • Possibility of delays in drafting RESS legislation due to constrained capacity in Energy Group and OLC. • Delay to the delivery of the southern section of North-South Interconnector from June 2028 to June 2031. • Pause of the SONI/EirGrid proposal to trial an increase in SNSP (Synchronous Non-Synchronous Penetration) from 75% to 80%. 	
Current RAG Status and Change since Last Reporting Period	Actions within control of Northern Ireland authorities	Amber
	Actions outside control of Northern Ireland	Red

Enabling Action	12: Carbon Management in Infrastructure	
SRO	Colin Woods (DfI)	
Project Lead	Caroline Maxwell (SIB)	
Project Objective	Address carbon quantification, assessment and standards in the delivery of infrastructure projects in ISNI through the preparation of the Infrastructure Sectoral Plan.	
Project Deliverables	Infrastructure Sectoral Plan (ISP) providing thought leadership on accelerating and promoting carbon reduction in the built environment. SOC for the introduction of a Carbon Management Standard across NICS and ALBs, namely PAS 2080 entitled, 'Carbon Management in Infrastructure'.	
Key Activities Undertaken in this Delivery Period (Dec-Jan)	<ul style="list-style-type: none"> Revised workplan prepared and agreed by ISNI Committee and NICS Board subject to agreement by the DAERA-led Strategic Oversight Group (TBC). A team has been established within DfI with the specific purpose of developing an ISP, preparing a draft SOC for a suitable carbon management standard and taking forward a carbon reduction strategy within its road engineering standards. Consultants are undertaking discovery phase research into the potential to develop a minimum viable product for expediting project-level carbon quantification using AI and projections. Engaging with DoF on the emerging four-year capital budget within the context of carbon quantification and the ISP development. 	
Main Focus during Next Period (Feb-Mar)	<ul style="list-style-type: none"> Continue progress on the ISP (initial draft expected in May 2026). Incorporate comments from Departments on the draft SOC for a carbon management system. Completion of the discovery phase research referenced above. 	
Update on Milestones	Initial draft ISP to be completed by May 2026.	May '26
Resourcing	Led by DfI with support from SIB where relevant and appropriate. Advice and support from SIB and its consultants, ERM, as requested.	
Risks/Issues/Concerns	<ul style="list-style-type: none"> ISP timelines subject to satisfactory engagement with public and private sectors. No guarantee that discovery phase research will result in a viable MVP. 	
Current RAG Status and Change since Last Reporting Period	Green 	

Appendix 1: Delivered Milestones

The following milestones have been delivered for each of the Enabling Action projects:

Enabling Action	Milestone and Date of Delivery
1: Infrastructure Profession Workforce	<ul style="list-style-type: none"> • Milestone 1: Discovery Phase 1 covering EA 1 & 2: A report summarising the outcome of engagements and recommended next steps, approach agreed to progress in 4 workstreams – Nov '24 • Strategic Workforce Planning Recommendations agreed by ISNI Committee May '25
2: Capability Planning & HR Policies	<ul style="list-style-type: none"> • EA2 WS 2- Report approved by ISNI Committee – Mar '25
3: Business Case Process	<ul style="list-style-type: none"> • Milestone 1: SRO event – Sept '24 • Milestone 2: Workplan approved by ISNI Committee and endorsed by NICS Board – Jan '25, Phase 1 completion now Mar '26
4: Planning Improvement – Short to Medium Term	<ul style="list-style-type: none"> • Milestone 1: Scope agreed with ISNI Committee and endorsed by NICS Board – Nov '24 • Milestone 2: Propose KPI's to ISNI C'ttee – July '25
5: Planning Improvement – Medium to Long Term	<ul style="list-style-type: none"> • Milestone 1: Scope agreed with ISNI Committee and endorsed by NICS Board – Nov '24 • DfI Minister's feedback on Workplan received in May '25
6: Monitoring & Assurance – 'DataMAP'	<ul style="list-style-type: none"> • Milestone 1: PID approved by ISNI Committee - July '24 • Milestone 2: Pilot data collection project completed - Feb '25 • Milestone 3: Recommendations report to ISNI Committee and NICS Board on proposed reporting outputs – May '25 • Milestone 4: Completion of PAC data upload: Dec '25
7: Procurement	<ul style="list-style-type: none"> • Milestone 1: ToR of Integrated Procurement Plan approved by ISNI Committee – Sept '25 • Milestone 2: Maintenance workshop with CoPEs – Feb '25 • Rescoped Milestone 1: Roles & responsibilities for robust data tracking agreed. Jul '25. • Revised scope agreed by ISNI Committee – Sept '25 • Rescoped Milestone 2: As-Is analysis preparatory work commences – Sept '25
8: Social License	<ul style="list-style-type: none"> • Milestone 1: Report approved by ISNI Committee/NISCB – Mar '25 • Milestone 3: Pathfinder projects – engage, select, agree resource/cost and update ISNI Committee – July '25 • Milestones 4 & 5: Updated RPA and PRA guidelines issued for discussion with DoF. Practitioners identified to strengthen social license lens on Gateway Reviews
9: Alternative Governance & Financing Models	<ul style="list-style-type: none"> • Milestone 1: ToRs agreed by ISNI Committee and endorsed by NICS Board Jan '25 • ToRs discussed and agreed with FM and dFM May '25 • Milestone 2: Work completed and submitted as draft for discussion to FM and dFM Sept '25

10: Infrastructure Needs Assessment	<ul style="list-style-type: none"> • Milestone 1: Phase 1 Landscape Review of Economic Infrastructure presented to ISNI Committee Mar '25 • ToRs for Phase 2 agreed by ISNI Committee May '25
11: Energy Legislative & Regulatory Priorities	<ul style="list-style-type: none"> • Milestone 1: ToR endorsed by ISNI Committee Jan '25 • Milestone 2: Project Director appointed through SIB June '25
12: Carbon Management in Infrastructure	<ul style="list-style-type: none"> • Initial draft of the ISP to be prepared by May 2026.



Better Business Cases NI

Final Review

January 2026

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Management Summary

The Department of Finance (DoF) launched *Better Business Cases NI (BBCNI)* guidance in November 2020, adopting HM Treasury's Five Case Model¹ (FCM) to improve the quality, consistency, and effectiveness of business cases (BCs) across the Northern Ireland Civil Service (NICS). This review is presented in two parts: through test drilling², it evaluates the rollout, usage, and quality of BCs using BBCNI, building on the 2019 *Review of Expenditure Approval and Business Case Processes* and the 2022 Interim Review of the rollout of BBCNI (Part A); and it includes an additional assessment of cost and time overruns in major capital projects (Part B).

Part A – Final Review of the Introduction of BBCNI

Key Findings

1. Adoption and Usage

- BBCNI guidance is now the norm across departments³, with strong adoption for projects below DoF delegated limits and minimal reliance on legacy guidance.

2. Quality of Business Cases

- The Strategic and Economic Cases are generally well-developed.
- The main components of the Commercial and Financial Cases are commonly included.
- However, Management Cases are weak across all expenditure bands, often lacking delivery plans, risk registers, information on evaluation, and benefits realisation strategies.
- Environmental screening and specialist input are inconsistently applied, especially in lower-value cases (although several of the BCs tested predate the introduction of DoF environmental BC guidance).

¹ The Five Case Model includes the following dimensions: Strategic Case; Economic Case; Commercial Case; Financial Case; and Management Case.

² Test drilling uses a sample of business cases to gain an understanding of whether key aspects of the guidance have been applied.

³ Note, that whilst this Review refers to NICS departments, many if not most of the business cases attributed to them will have originated in their respective Arms' Length Bodies.

3. Progress Since Interim Review in 2022

- New guidance documents, pro forma and templates have been introduced, and there has been strong training uptake (over 3,100 NICS staff trained, of which approximately 1,600 since the Interim Review).

Recommendations

Strengthen the Management Case

- Include project delivery arrangements, risk registers, post-project evaluation strategies, and benefits realisation plans.
- Ensure evaluation plans are well-documented to support learning and accountability.

Improve Environmental and Specialist Integration

- Complete environmental screening in all BCs, except for minor expenditures (where impacts of note are considered or if none this is explicitly stated).
- Document specialist signoff for 'moderate and major expenditures'⁴ where applicable.

Maintain Proportionate Effort and Clarity

- Use concise pro forma and templates when possible and avoid duplication.
- DoF and economists in departments to explicitly assess and monitor proportionality when reviewing BCs, highlighting any concerns around persistency.
- Ensure BCs are accessible to non-specialist decision-makers.

Part B – Additional Assessment of Cost and Time Overruns for Major Capital Projects

Key Findings

Cost and Time Overruns

- Given the timing of this Review, most of the BC addendums⁵ submitted since the introduction of BBCNI inevitably relate to projects *initially approved under the previous guidance (NIGEAE)*.

⁴ These are explained for the purposes of this Review later in the document.

- Primary causes of cost and time overruns include macroeconomic shocks (Covid-19, Brexit, Ukraine war), other project development and delivery delays, and changes in scope.

Recommendations

Strengthen Collaboration

- To specifically address the issue of cost and time overruns, cooperation between relevant parties involved in project development and delivery and expenditure approval is required.
- The ISNI Committee is viewed as a potential vehicle to help deliver on this recommendation, calling on the expertise of others as appropriate. SIB has provided an initial indication it is content with this recommendation, and this will be discussed further with it.

With the Aim of Enhancing Forecasting and Delivery Planning:

- Improve alignment of design stages with expenditure approvals.
- Improve cost and time projections in collaboration with procurement and delivery specialists.
- Further consider contingency planning in Financial Cases.
- Share lessons learned and improve forecasting and delivery discipline.

⁵ BC addendums are usually produced when a condition of expenditure approval is going to be, or has been, breached, and a full re-working of a BC is not required.

1 Background and Introduction

The 2019 Department of Finance (DoF) *Review of Expenditure Approval and Business Case Processes* included the following key recommendation:

“NICS adopt the Five Case Model when developing business cases for major expenditure decisions”.

The Five Case Model⁶ (FCM) is the HM Treasury best practice approach to the development of business cases (BCs) and this recommendation led to the introduction of the *Better Business Cases NI (BBCNI)* guidance. The new guidance superseded the *Northern Ireland Guide to Expenditure Appraisal and Evaluation* (NIGEAE), and was launched in November 2020 as outlined in [FD \(DoF\) 11/20](#).

DoF completed the Interim Review in November 2022, evaluating the effectiveness of the rollout of this guidance and quality of BCs using the FCM. This detected a shift to the FCM with a small number of BCs still using the legacy guidance; positive signs of quality improvement in those using the FCM; and significant progress in producing guidance and training materials. It made several recommendations including the need for a more robust dataset to undertake this Final Review and for DoF to develop aspects of the guidance.

This Final Review has been completed five years after the launch of the guidance to allow enough time for the guidance to be embedded in the decision-making process, given major projects often have long lead-in times.

Aims and Objectives of the Final Review

The main purpose of this review is a final evaluation of the rollout of BBCNI and report on the quality of BCs for projects below and above departments' delegated limits in terms of how well they meet the guidance (Part A).

⁶ The Five Case Model includes the following dimensions: Strategic Case; Economic Case; Commercial Case; Financial Case; and Management Case.

Additionally, the Review contains an exercise (Part B) assessing the nature and number of BC addendums⁷ submitted to DoF since it launched the guidance, given concerns about cost and time overruns in the delivery of major capital projects. The structure of this report is detailed below.

Part A: Final Review of the Introduction of Better Business Cases NI

a) Development of the BBCNI Guidance

An update of developments since the 2019 *Review of Expenditure Approval and Business Case Processes*, helping to provide the context of the guidance, and an assessment of progress on the recommendations from the 2019 Review and Interim Review completed in 2022.

b) Quantifying the use of BBCNI Guidance

An assessment of the usage of the guidance, using data from DoF and departments, to ensure BCs are now completed using the current methodology and not the guidance it superseded.

c) Assessment of Business Cases

A test-drilling exercise to help gauge the quality of BCs above and below departments' delegated expenditure limits. Whilst the term "quality" is being used, more strictly it is a measure of compliance with the guidance, using a scoring exercise developed for this exercise and a broad range of BCs. Finite resources mean there are limitations in terms of the scale of sampling. That said, it should be recognised that departments undertake their own test-drilling and quality assurance of BCs and, therefore, the Review is a high-level exercise to capture notable issues and inform the need to adapt the guidance in future.

d) Part A Conclusions and Recommendations

A summary of conclusions of the test-drilling exercise, with recommendations to be implemented by DoF and departments with the aim of continuing to improve the standard of BCs.

⁷ BC addendums are usually produced when a condition of expenditure approval is going to be, or has been, breached, and a full re-working of a BC is not required.

Part B: Additional Assessment: Cost & Time Overruns for Major Capital Projects

a) Cost and Time Overruns for Major Capital Projects

An analysis of relevant addendums submitted to DoF since the introduction of BBCNI. The aim is to gain an understanding of the key drivers for departments seeking reapproval of capital projects (required for notable variations in cost and delivery timescales) and the potential role BC guidance might have in helping to address such issues.

b) Part B Conclusions and Recommendation

A summary of conclusions from the analysis and a recommendation to help address some of the issues around cost and time overruns.

Part A

Final Review of the Introduction of Better Business Cases NI

2 Development of the BBCNI Guidance

This section provides an update on developments since the original 2019 *Review of Expenditure Approval and Business Case Processes*, which led to the introduction of BBCNI guidance, and an update on progress on the recommendations from both that and the 2022 Interim Review on the rollout of the guidance. This provides the context of why this Final Review has been completed and its findings.

2.1 The 2019 Review of the Expenditure Approval and Business Case Processes

The 2019 *Review of the Expenditure Approval and Business Case Processes* made recommendations to be taken forward with the aim of making processes fit for purpose, whilst clarifying the roles and responsibilities of all those involved from the outset. The introduction of BBCNI and the FCM was an output of that review, along with recommendations linked to BC development.

The recommendations specifically related to improving BCs have been reviewed and are considered complete, as outlined in the table below.

Table 2.1: BC Recommendations from the 2019 Review

Recommendation	Update
NICS adopt the Five Case Model when developing business cases for major expenditure decisions. An appropriate threshold for applying this approach in full may be the departmental delegations that are in place.	Complete – BBCNI was launched in November 2020 and introduced the use of the FCM in NI.
DoF update existing business case pro-formas to align to the Five Case Model approach. Pro formas should be utilised for smaller, less complex cases that are not novel, contentious or repercussive in nature with proportionate effort applied commensurate to the level of expenditure and risk involved in the proposal.	Complete – pro formas and templates were developed for the launch of the guidance and are regularly reviewed to ensure they remain fit for purpose.
DoF introduce an equivalent ‘Plain English Guide’ for business cases and a ‘Checklist’ to aid those preparing and assessing business cases.	Complete – a Plain English Guide and checklist were published as part of the BC launch.

Recommendation	Update
<p>DoF produce Best Practice Guidance for Assessing Business Cases providing clarity on the roles and responsibilities of all those involved. DoF to produce exemplar business cases online to illustrate the detail and proportionate effort required in keeping with the expenditure level involved.</p>	<p>Complete – a Best Practice Guide was published when the guidance was launched and is updated periodically. After discussions internally it was decided that it would not be appropriate to produce exemplar BCs because every project is different and there needs to be flexibility in terms of the scope and scale of the BC. DoF did, however, publish guidance on proportionate effort to aid understanding of the level of detail expected.</p>
<p>The Economist Profession to introduce a best practice template for the provision of economist advice on business cases to ensure a consistent approach across departments.</p>	<p>Removed – decision taken that this would not be apt and departments should have flexibility on advice provided. BC advice should not be seen as a tick-box exercise, and every project is different. Nevertheless, specific advice to economists on reviewing BCs was provided as part of the Best Practice Guide.</p>
<p>Senior Responsible Owners utilise the workshop approach in developing business cases, for the larger, more complex expenditure proposals, in line with the HMT Model. Those involved significantly in the preparation of business cases should be clearly distinct from those providing a quality assurance role to Accounting Officers.</p>	<p>Complete – workshops of varying scale (based on proportionate effort) have been introduced as part of the BC development process.</p>
<p>Economists, both SPD and departmental, to ensure that economic advice to Accounting Officers is well documented and recorded and provides a commentary on the relevant information contained in the business case. This advice to also be provided to departments when ALBs are submitting an expenditure proposal, and similarly when departments are submitting expenditure proposals to DoF. This approach should also be replicated for all relevant professional advice.</p>	<p>Complete – this steer was provided to economists as part of the Best Practice Guide. Furthermore, specialist advice (e.g. economist, finance, procurement) continues to be provided by departments to DoF on request.</p>

2.2 Progress on Recommendations from the Interim Review of BBCNI

The report on the Interim Review, undertaken after 18 months of launch in November 2020, was shared with Finance Directors and Economist Heads of Branches in December 2022. Its main findings were largely positive, although five recommendations were identified at the time and are discussed below.

- **It is recommended that DoF produces a data collection template to be used by departments to collate data for the final review.**

At the time of the Interim Review, the data received for BCs linked to expenditure below departments' delegated limits did not allow for a robust analysis of these and, as a result, DoF developed a new template for data collection. This recommendation was actioned accordingly and the data collected since then has been used to inform this Final Review.

- **It is recommended that departments ensure all of the key documentation is provided when submitting business cases to DoF, and that any specialist advice is well-documented as DoF may require sight of this when making a decision on expenditure approval. Departments should also ensure the DoF Supply pro forma is fully completed in terms of specialist advice.**

An indication of the use of specialist advice in developing BCs is now a requirement for all expenditure being approved by DoF, given the redesign of the DoF Supply expenditure approvals submissions pro forma. SPD economists have regularly reviewed the advice provided by departmental economists to ensure no duplication of effort when providing advice to DoF Supply. Therefore, we are content this recommendation has been reasonably achieved.

However, the test-drilling of BCs below delegated limits showed less clarity around who had been involved in developing the BC. This has been reflected in the lessons learned and DoF has updated the moderate pro forma and larger BC template to include a specialist sign off section. Not all BCs will require specialist input for every case - in these instances this should at least be recognised and explained.

- **It is recommended that DoF updates business case guidance as required based on the information within this review.**

To address this recommendation, SPD developed Technical Guidance for the Economic Case highlighting what was expected at a NI level. This included the publication of two Options Framework⁸ templates with worked examples, showcasing how this element could be completed for different

⁸ HM Treasury's recommended methodology for developing and shortlisting options.

types of project/expenditure scales where apt. As part of this work, SPD also created new pro formas and a BC template for larger expenditure. Therefore, this recommendation has been achieved.

- **It is recommended that the final review assesses the quality of a broad range of business cases above delegated limits, including SOCs, OBCs and FBCs.**

As shown in Section 4 below, this recommendation has been actioned. A total of 27 BCs above delegated limits were reviewed as part of this Final Review process, including a selection from each department, as well as a mix of SOCs-OBCs-FBCs.

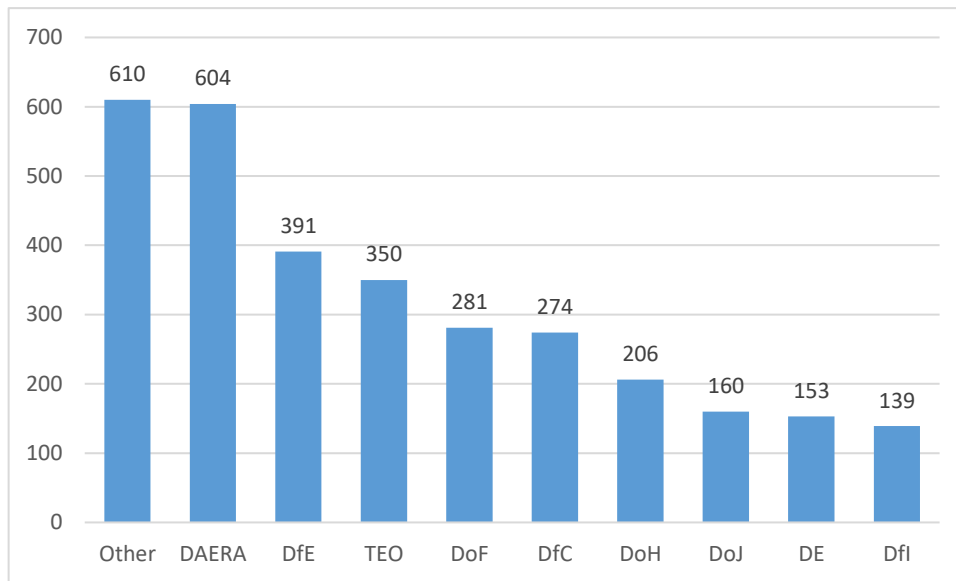
- **It is recommended that departments continue to work with DoF to help shape the development of guidance and training in the future.**

Since the Interim Review, SPD has continued to engage with key stakeholders to develop BC guidance. For example, it worked closely with colleagues from DoF Construction and Procurement Delivery (CPD) and the Strategic Investment Board (SIB) to develop content for and deliver a half day workshop (November 2024) to around 100 Senior Responsible Owners, many from Arm's Length Bodies.

SPD also continues to regularly engage with departmental economists and other specialists, who often help inform and draft guidance content. For instance, it worked closely with DAERA to update BC guidance on environmental and climate impacts.

In addition, economists in every department continue to contribute to delivering NICS-wide training on behalf of the Centre for Applied Learning (CAL). Figure 2.1 below shows that 3,168 staff had completed the course by mid-August 2025 and demand for this course remains healthy.

Figure 2.1 - Course Attendance as at 11/08/25



2.3 Developments since the Interim Review

Figure 2.2 below shows the key milestones since the launch of Better Business Cases NI in November 2020.

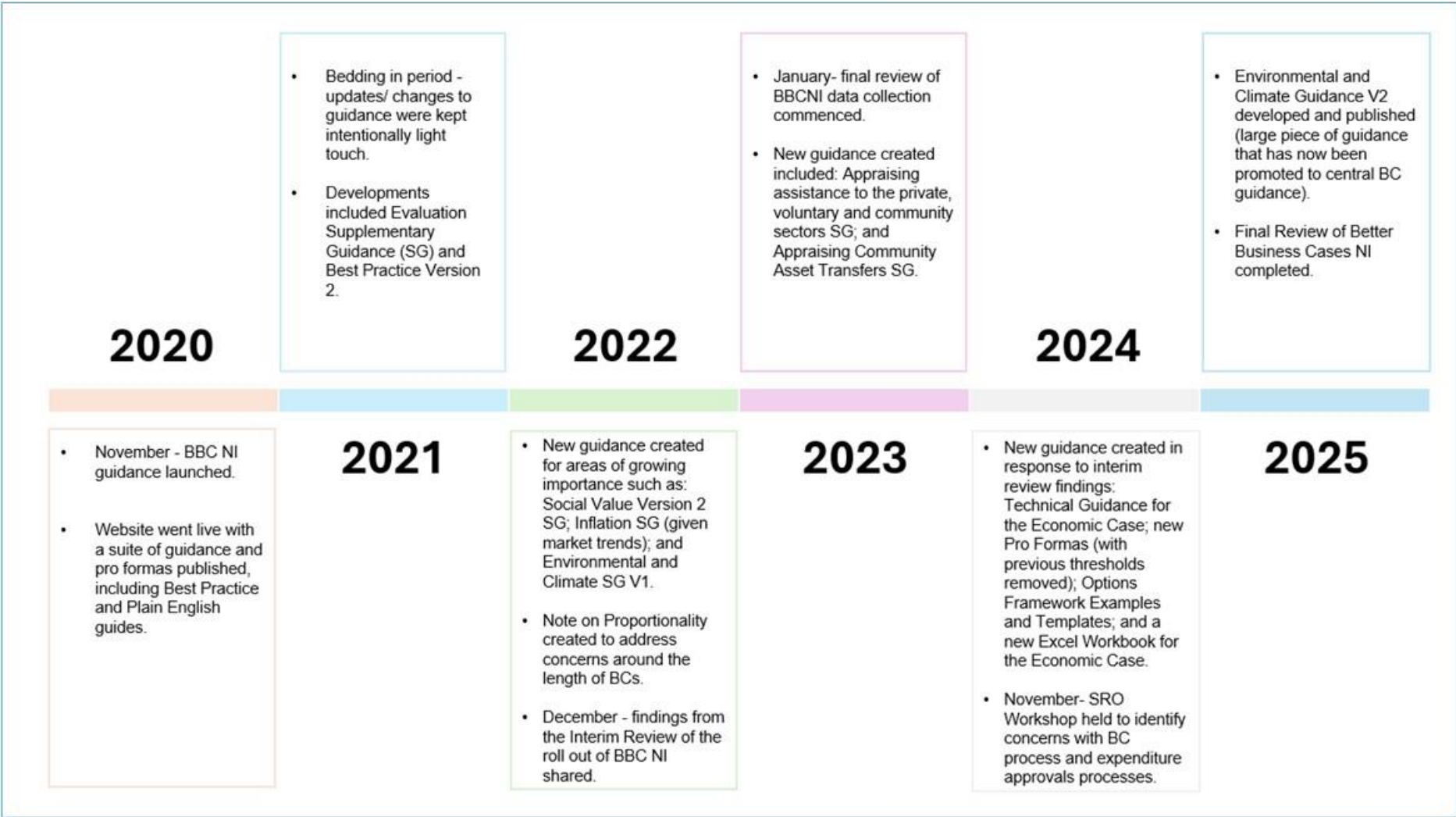
The [BBCNI website](#), where this guidance is published, continues to be one of the most viewed pages owned by DoF, receiving over 10,000 views annually - reflecting the relevance and importance of the information provided.

There are circa fifty pieces of guidance on the website which requires careful management and employment of resources to ensure the information remains relevant and accurate.

Key guidance developments since the Interim Review include:

- Appraising Assistance to the Private, Voluntary and Community Sectors.
- Community Asset Transfer (CAT).
- Technical Guidance for the Economic Case.
- Options Framework Templates and Worked Examples.
- New Pro formas (Minor and Moderate) and a BC Template for Larger Expenditure.
- Incorporating Environmental and Climate Considerations into BC's (updated recently and promoted to central guidance).

Figure 2.2- Timeline of Key BC Guidance Developments



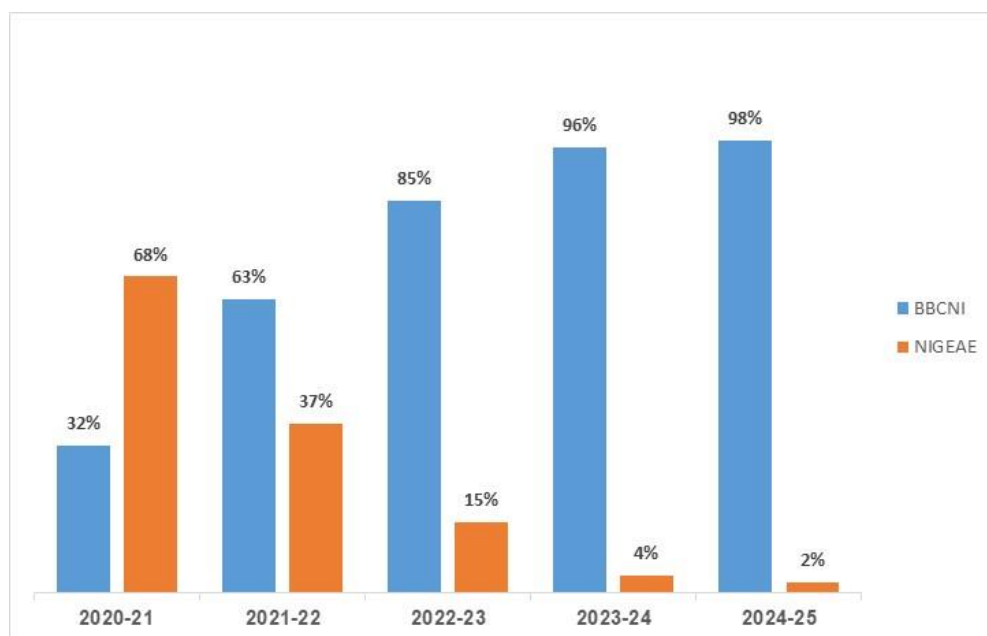
3 Quantifying the Use of BBCNI Guidance

The Interim Review concluded there had been a general shift towards using the new guidance for projects that are above departments’ delegated limits. However, there were consistency issues with the data for those projects *below* delegated limits, and therefore the Interim Review recommended DoF produce a data collection template to be used by departments to collate data for the Final Review, which has resolved this. This template was issued to departments collating data covering an 18-month period from January 2023. DoF received returns from all departments.

3.1 Business Cases Above Departments’ Delegated Expenditure Limits

DoF Strategic Policy Division’s (SPD)⁹ records show that by the end of March 2025, it had received 539 new pieces of casework¹⁰ since the launch of BBCNI (November 2020). Figure 3.1 illustrates the percentage of BCs that were identified as completed using either the NIGEAE or BBCNI methodology.

Figure 3.1: Breakdown of New BCs Received – Above Delegated Limits



⁹ DoF Supply Division seeks advice from Strategic Policy Division economists on business cases submitted to DoF for expenditure approval purposes, i.e. those above departments’ delegated limits.

¹⁰ This refers solely to new submissions from departments and includes Strategic Outline Cases (SOCs), Outline Business Cases (OBCs), and Full Business Cases (FBCs). It does **not** include responses/resubmissions, addendums or pay remits from departments.

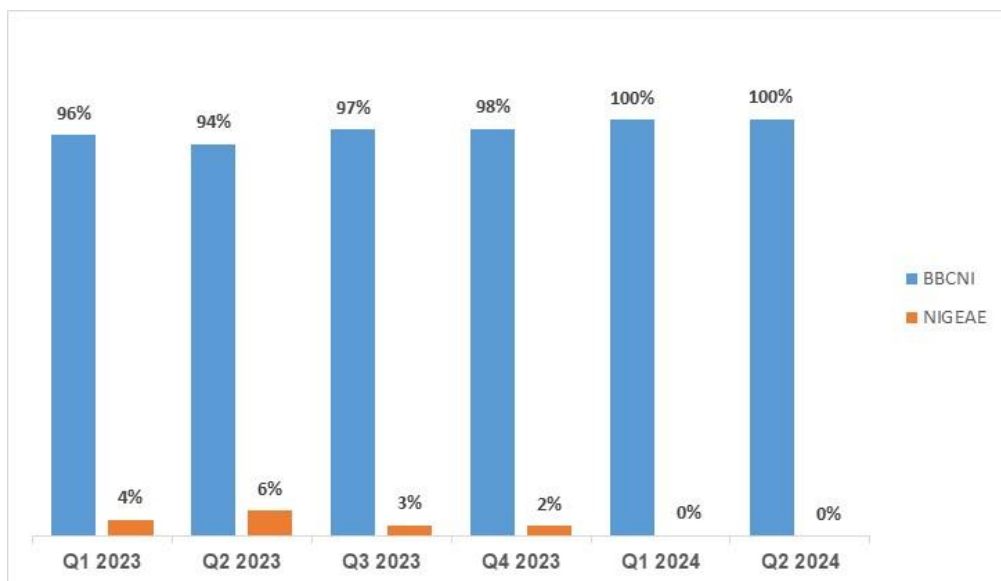
Figure 3.1 shows a general growth trend in the use of BBCNI guidance for those BCs submitted to DoF for expenditure approval, with 98% of the BCs submitted in the last financial year following BBCNI guidance¹¹. This trend would be expected as the guidance beds in and departments¹² ensure adherence to FD (DoF) 11/20. Therefore, for expenditure above delegated limits, DoF has no concerns regarding the usage of the guidance and adherence to the FD letter referred to earlier.

3.2 Business Cases Below Departmental Delegated Expenditure Limits

SPD issued a template to departments to collect data for expenditure above £100k (to keep the exercise manageable and proportionate) from Q1 2023.

Figure 3.2 illustrates the percentage of BCs identified as completed using either the NIGEAE or BBCNI methodology for expenditure below delegated limits (and, therefore, not submitted to DoF for ex ante expenditure approval purposes).

Figure 3.2: Breakdown of New BCs Received – Below Delegated Limits



This mirrors the information for above-delegated expenditure and there are no concerns with the proportion of BCs using the BBCNI guidance.

¹¹ This includes BCs completed using the Five Case Model and other formats e.g. use of external specialists. Of the 2% that did not follow the new guidance, some were legacy projects and DoF did not consider they merited being re-appraised under the new guidance.

¹² Note, that whilst this Review refers to NICS departments, many if not most of the business cases attributed to them will have originated in their respective Arms' Length Bodies.

4 Assessment of Business Cases

A core reason for introducing BBCNI was to improve the quality of BCs and, ultimately, expenditure decisions by ensuring the appropriate specialists are involved in the development of BCs and approval of expenditure. This Review has assessed a broad range of BCs using test-drilling exercises¹³ for projects above and below departments' delegated expenditure limits. Whilst the term "quality" is being used, more strictly it is a measure of compliance with the guidance.

SPD economists who undertook this Review are specialists concerned primarily with two of the five cases when expenditure approval is being sought (Strategic and Economic Cases – broadly the economic appraisal element of a BC). While they have greater specialist knowledge of these, for the purposes of this Review it is worth noting they are all accredited in HM Treasury BC guidance and have significant experience reviewing BCs, meaning they can identify the core elements required in all five cases of a BC.

An assessment was made as to whether each case was either compliant or insufficient. Note that the assessment is based solely on BC documents and importantly cannot take account of any supporting information and responses to reviewer queries that may ultimately have fed into decisions as part of the expenditure approval process. Clearly however, it would be preferable for sufficient information contained in the original BC to enable an expenditure decision without the need for additional material / clarification to be requested and provided, which will require more resource and time.

The BC development process is not a box-ticking exercise: proposals can have different requirements; appraisers/reviewers are encouraged to be pragmatic and proportionate; and it may not always be necessary to follow all the steps laid out in guidance. That said, there are some key requirements for all BCs and, ultimately, they should always provide an assurance of value for money.

Furthermore, this Review gauges key aspects of the BBCNI guidance that are topical for reasons explained below.

¹³ Test drilling uses a sample of business cases to gain an understanding of whether key aspects of the guidance have been applied.

- a) Use of specialists – this was one of the main reasons for introducing BBCNI with the aim to ensure those with relevant knowledge and experience are involved in the development and sign-off of cases within the FCM. When advice has been sought, their involvement should specifically be identified as part of the BC process.
- b) Options Framework (OF) – this is a key element of the FCM according to current Treasury guidance¹⁴. It is likely to be more suitable for larger, more complex expenditures. The guidance encourages its use to help ensure a reasonably robust options appraisal element.
- c) Environmental Screening – this was introduced through supplementary guidance in October 2022 and should now be an integral part of BCs in NI. Whilst not mandatory in Version 1, DoF has recently published Version 2 of the guidance to reinforce its use.
- d) Proportionate Effort – disproportionate effort in BCs can have negative consequences on resources throughout the development and review chain, as explained in the BBCNI note¹⁵ on proportionate effort.
- e) Ease of Understanding – this links to the issue of proportionate effort. A BC that is not easily understood will lead to more comments/questions and longer approval timescales. Those drafting should not use jargon and appreciate that decision-makers will not necessarily have specialist knowledge linked to the proposal at hand.

4.1 Business Cases Below Departments' Delegated Limits

The data collection exercise for those BCs below delegated limits was outlined in the previous section. These were grouped into the following expenditure bands:

- Below £500k (68 BCs reviewed).
- £500k - £2m (36 BCs reviewed); and
- £2m - £5m (23 BCs reviewed).

¹⁴ [HMT's Guide to Developing the Project Business Case](#)

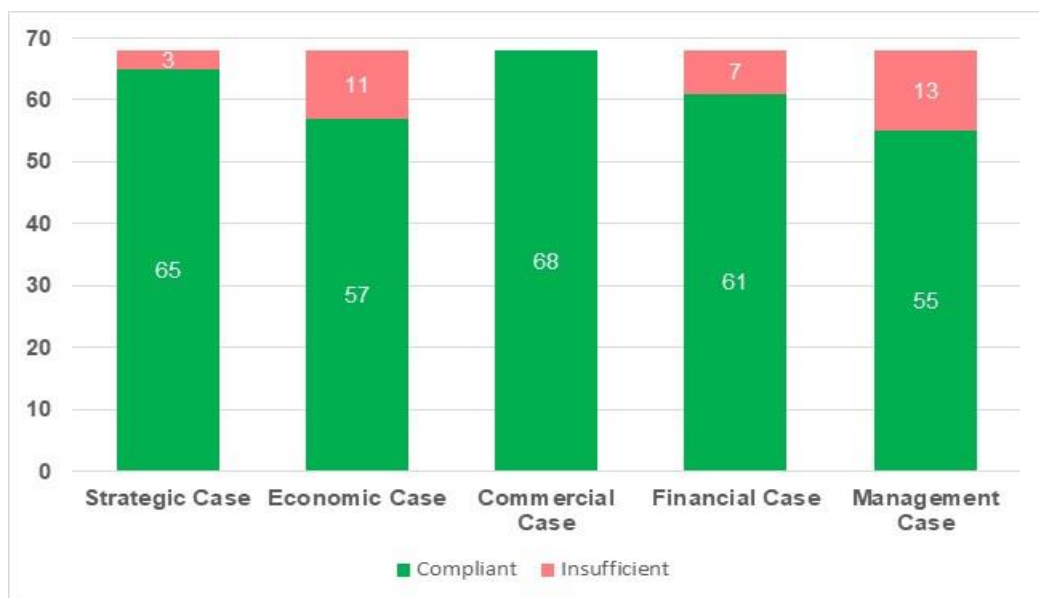
¹⁵ [Proportionate Effort in BCs and Evaluations](#)

In extremely general terms, these could be considered ‘minor’, ‘moderate’ and ‘major’ levels of expenditure (albeit still within departments’ delegated limits). Banding was used to account for proportionate effort; whereby lower level spend would generally be expected to have less information and analytic rigour.

A scoring exercise was undertaken to assess if the key information was included that would be expected in a BC at each band level. Each of the five ‘cases’ were evaluated and those containing all the key information were deemed compliant. The results for each of the three bands are outlined below in turn, followed by recommendations for departments to consider with the aim of improving the quality of BCs in future¹⁶. Further, a summary of lessons learned/ recommendations from the test-drilling exercise can be found in Section 5.

Total Expenditure Below £500k

Figure 4.1: Number of Compliant BCs (Below £500k) by Case



¹⁶ These are general recommendations for all departments to consider; however, where applicable departments will be informed separately of any recurring issues identified with their BCs.

Figure 4.2: Assessment of Other Key Aspects – Below £500k¹⁷

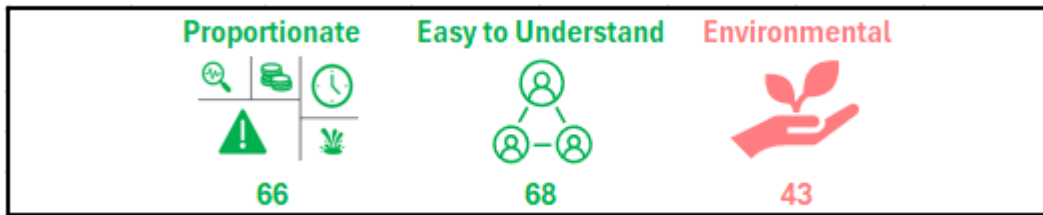


Figure 4.1 shows the results for this band of expenditure are largely positive. The Management Case was assessed to be the weakest element for this group, notably around a lack of information regarding project management and evaluation. Whilst this is a lower level of spend, it is important that project delivery arrangements are at least briefly identified in every BC. Furthermore, clarity around evaluation is key to ensuring that these are undertaken to enable lessons to feed into future projects.

Other key aspects assessed for this band were proportionality, ease of understanding and whether the BC considered environmental impacts (Figure 4.2 above). Note full environmental screening is not required for minor expenditure; also, highlighting specialists or use of the option framework is unlikely to be necessary at this level of spend.

Virtually all (66 out of 68) were deemed to be proportionate, and all were easy to understand – this is because pro formas/templates were generally used to draft the BCs, which encourages a focus on the key elements of a BC. Just over a third did not specifically address environmental impacts (if even just to rule out there being any impacts of note).

¹⁷ The “Other Key Aspects” schematics in this report adopt a Red-Amber-Green approach to broadly illustrate whether there is an issue, and what the degree of issue is.

Total Expenditure Between £500k - £2m

Figure 4.3: Number of Compliant BCs (£500k - £2m) by Case

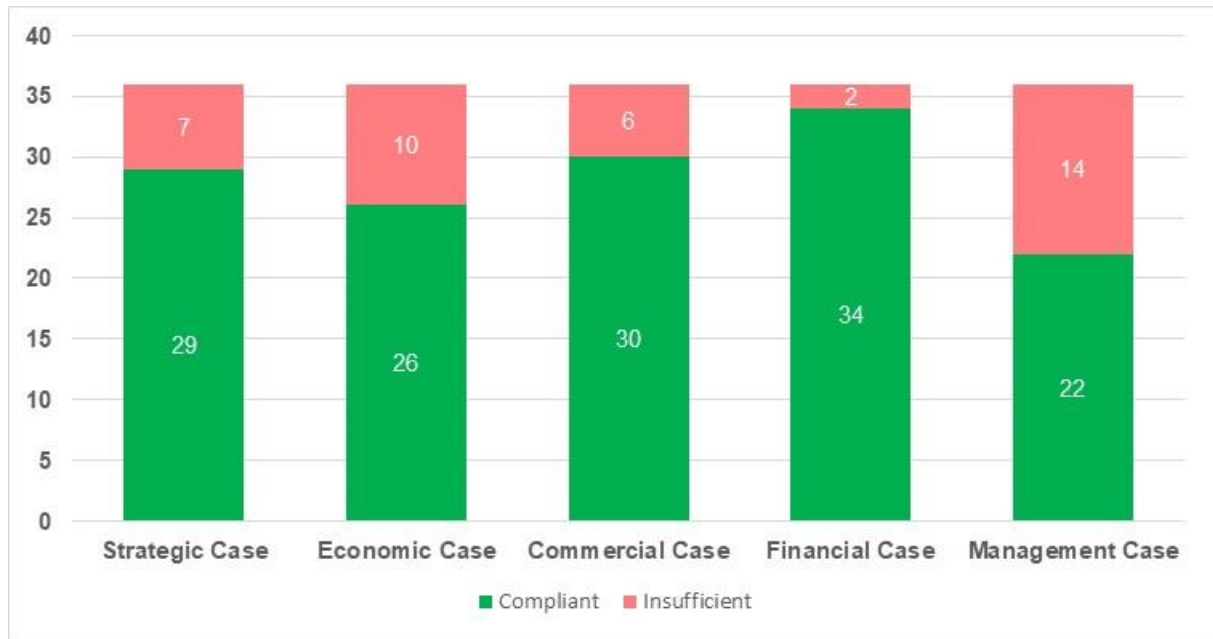


Figure 4.4: Assessment of Other Key Aspects (£500k - £2m)



As shown in Figure 4.3, whilst most BCs were compliant across the five cases, there were some specific issues, as explained below.

Strategic Case

- It is important that objectives, constraints and dependencies are identified at this level of spend which was not always the case - this aids options development and evaluation.
- The case for change is one of the most important elements of a BC because it explains why the proposal is necessary and defines the nature and scale of the issue. Some of the BCs showed a notable lack of detail in the case for change, with this section being too concise.

Economic Case

- Limited options analysis – even if the options framework is not being used, it is important to consider a broad range of options before shortlisting.
- Monetary cost and benefit assumptions not explained - the assumptions behind any analysis in the BC should be clearly described; otherwise, the validity of the analysis should be questioned.
- Non-monetary benefit scores not explained – this makes it difficult for a decision-maker to understand value for money conclusions.

Commercial Case

- Lack of information of contractual arrangements/issues and apportionment of risk.

Management Case

- Lack of a project management plan.
- Risk Register not mentioned or included.
- Benefits Realisation Plan not mentioned or included.

Regarding the other key aspects, as highlighted by Figure 4.4 above:

- Most of the BCs were proportionate (31/36) and relatively easy to understand (35/36).
- In terms of environmental considerations, DoF would expect environmental screening to be carried out at this level of spend, yet 13 of the 36 BCs did not do this. This needs to be addressed in future (Version 2 of the Environmental guidance issued recently mandates this be carried out).
- Most of the BCs did not identify which (if any) specialists were involved in the development and/or signoff of the BC.
- Only 7 of the 36 BCs used the options framework.

Total Expenditure Between £2m - £5m

Figure 4.5: Number of Compliant BCs (£2m - £5m) by Case

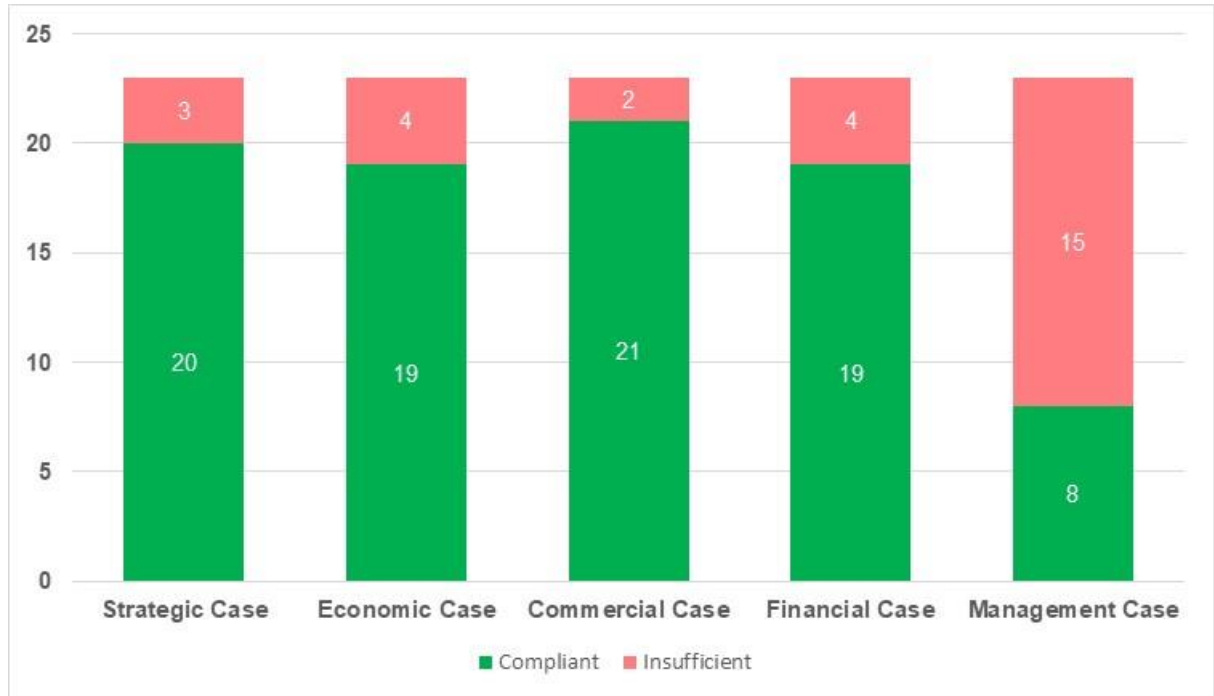


Figure 4.6: Assessment of Other Key Aspects - £2m - £5m



Figure 4.5 illustrates that the standard of most of the cases for this level of spend was reasonably good. However, most of the Management Cases were considered non-compliant with the guidance, with most lacking information with the potential to cause problems with project delivery. Any specific issues picked up by the Review have been listed below.

Strategic Case

- The case for change not detailed/developed enough.

Economic Case

- Monetary cost and benefit assumptions not explained.
- Non-monetary benefit scores not explained.

Commercial Case

- Lack of detail around contractual arrangements and risk apportionment.

Financial Case

- Long-term funding not addressed when appropriate.
- Funding requirements unclear.

Management Case

- Lack of an evaluation plan or light on information.
- Risk Register not mentioned or included.
- Benefits Realisation Plan not mentioned or included.

Regarding the other key aspects, as highlighted by Figure 4.6 above:

- The proportion of BCs considered disproportionate was higher than the other two expenditure bands but not of notable concern. It has been flagged as amber and worth noting that departments should ensure to be concise when possible, and not to needlessly repeat information between cases. The Strategic Case particularly lends itself to large sections of narrative on the strategic context and this has historically been a concern for DoF.
- No concerns regarding ease of understanding.
- This expenditure band gave more credence to the environmental screening, but improvements can still be made.
- As with the other bands, there was a lack of identification of specialists in most of the BCs and limited use of the options framework.

4.2 Business Cases Above Departments' Delegated Expenditure Limits

DoF collected data for those BCs above delegated limits using internal databases. The aim here was to assess a range of Strategic Outline Cases (SOCs), Outline Business Cases (OBCs) and Full Business Cases (FBCs) completed using BBCNI guidance.

Developing a BC using the SOC ~ OBC ~ FBC approach is generally recommended for very large expenditure approvals. Their purpose, in general terms, is as follows¹⁸:

SOC – used for scoping the project/programme.

OBC – used for planning the project/programme.

FBC – used for procuring the project/programme.

The sample size for each of these groups was nine BCs (27 BCs in total) and the rationale for this was to assess an equal, but manageable, number of BCs from each department. Also, compared to OBCs, the number of SOCs and FBCs submitted to DoF is relatively low given differing approval requirements. This made sampling of SOCs and FBCs more difficult.

The approach mirrored that used for below delegated limits - a scoring exercise was developed to assess if the key information was included that would be expected for each of these groups, given their relatively large spend. Each of the five 'cases' were considered, whereby BCs that included all essential elements were classified as compliant.

In terms of other considerations, specialist sign-off is explicitly required within the DoF Supply pro forma used when BCs are submitted as part of the expenditure approval process. This helps ensure specialists are involved in the expenditure approval process and, therefore, any uncertainty in this regard is lower than those projects below delegated limits.

The findings for each of the three categories are presented below, followed by a set of recommendations to help improve the quality of future BC submissions.

¹⁸ See [DoF's Overview of the Five Case Model](#) for more information.

Strategic Outline Cases

Figure 4.7: Number of Compliant SOC's by Case

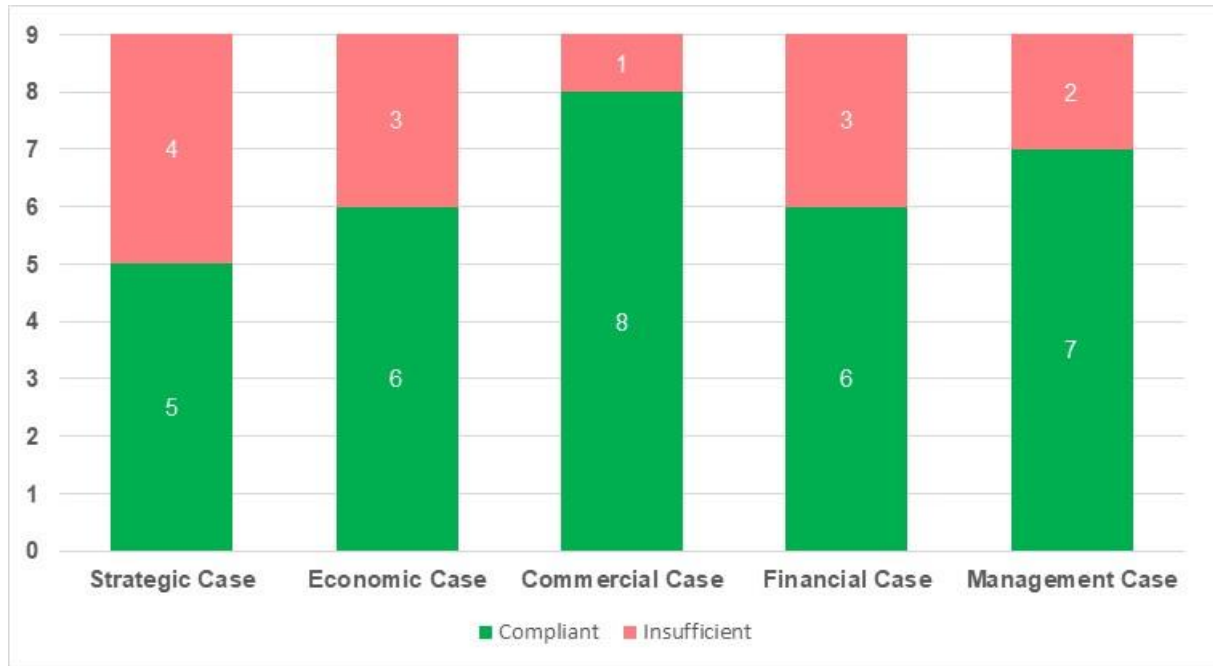
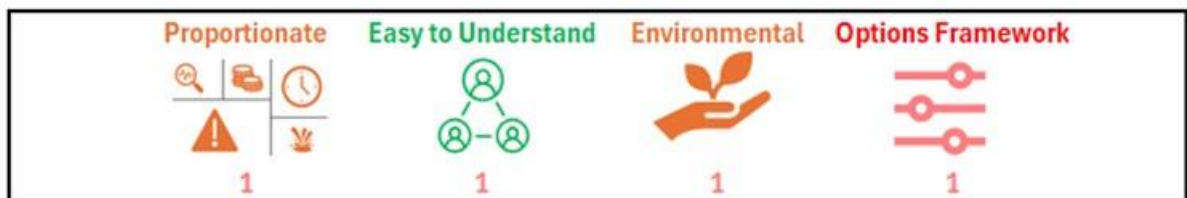


Figure 4.8: Assessment of Other Key Aspects



As shown in Figure 4.7 above, the SOC's review presented mixed results, with issues identified in all cases, as explained below.

Strategic Case

- Spending Objectives were too high-level, or not SMART¹⁹.
- One of the SOC's did not include a Strategic Context.
- One of the SOC's had a poor Case for Change section, which lacked detail.

¹⁹ Specific, Measurable, Achievable, Relevant and Timebound.

Economic Case

- A general lack of detail around most elements in three of the SOCs.

Commercial Case

- A notable lack of information on procurement in one of the SOCs.

Financial Case

- Did not include enough detail, particularly around the annual breakdown of costs.

Management Case

- Not enough detail around a management plan.
- Important information, such as a timeline of work and project assurances, was missing.

The assessment of other key aspects (Figure 4.8 above) also produced mixed results, as outlined below.

- A third of SOCs (3) were deemed disproportionate. Two lacked a lot of important detail whilst the other was deemed too long/ included unnecessary detail.
- Nearly half (4 out of 9) did not include Environmental Screening; however, of these four, one predated the relevant BC guidance and two considered environmental considerations throughout but did not complete a screening exercise.
- There was a general lack of use of the Options Framework, with only a third using this.

There is some concern that the Strategic Case scored lowest out of the five 'cases' for the SOCs – most of the resources at this stage of the BC process should be used to develop the Strategic Case; this is then updated/refined at subsequent (OBC and FBC) stages.

It should be noted that two of the SOCs assessed were developed quite soon after the introduction of BBCNI, necessarily selected given the low number of

SOCs to sample and the desire to include SOC from all departments, which could have led to some of the issues. Any fundamental concerns would have been raised when these SOC were originally submitted to DoF and dealt with at the time of expenditure approval.

Outline Business Cases

Figure 4.9: Number of Compliant OBCs by Case

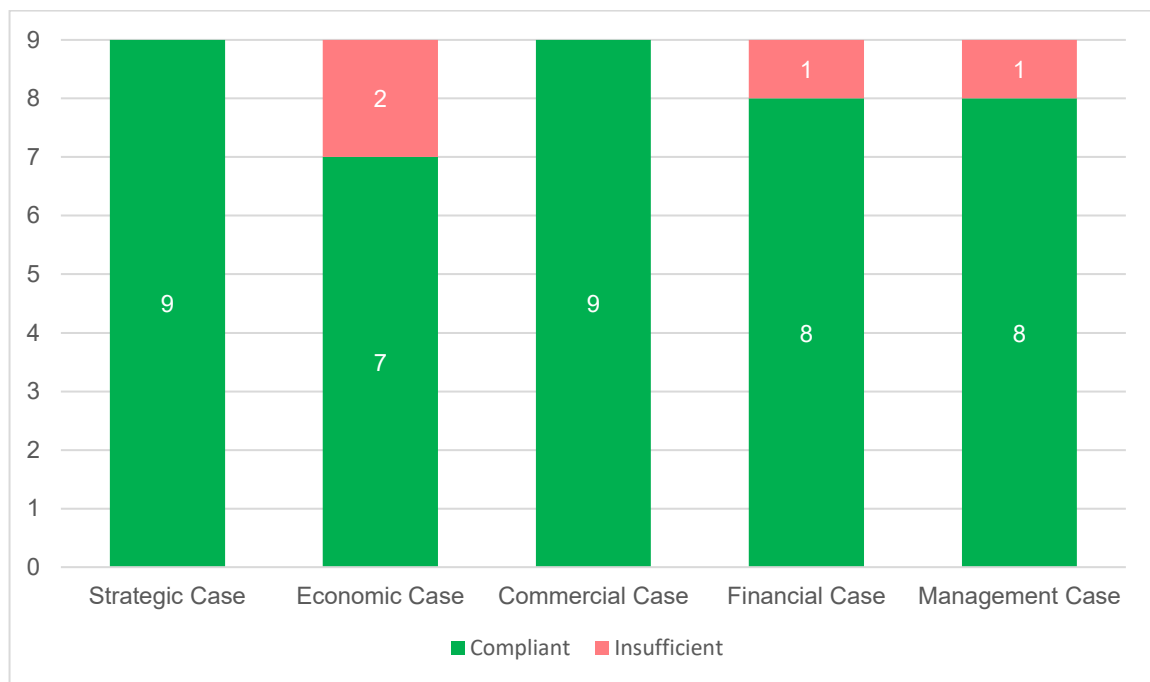


Figure 4.10: Assessment of Other Key Aspects

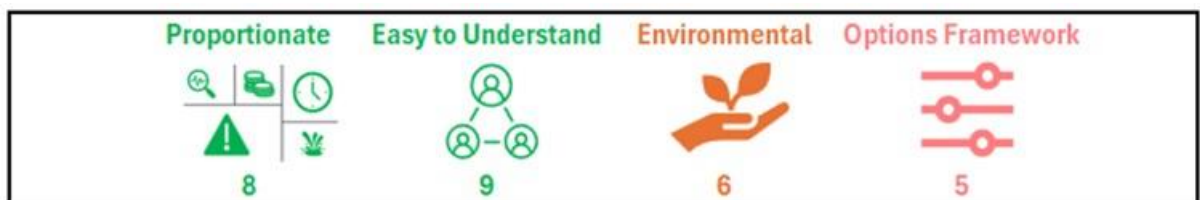


Figure 4.9 shows a better picture for OBCs in that they were generally of a good standard, particularly the Strategic and Commercial Cases with no issues identified in these. The main issues identified are listed below:

Economic Case

- A lack of options appraised (long-listing to shortlist for appraisal).
- Not enough details on costs and assumptions.
- Not being possible to reach a value for money conclusion in one of the OBCs.

Financial Case

- No confirmation of affordability in the Financial Case.

Management Case

- Lacking a Risk Register.
- Benefits Realisation Plan not included.

Regarding the assessment of other key aspects (Figure 4.10 above), the OBCs scored generally well across the board which is probably reflective of the scale and nature of these cases, with only one scoring poorly overall for proportionate effort. However, like the SOC's, there were some issues:

- One third (3 out of 9) did not complete environmental screening.
- There was no evidence of specialist input/advice in 2 out of 9 cases.
- As with the SOC's, there was a lack of the use of the Options Framework, with 4 out of 9 not completing one.

Whilst the majority of the OBCs were considered reasonably proportionate, there were some minor issues within the OBCs. For example, some OBCs included an executive summary which duplicated large sections of information contained in the main body of the document. Others had long sections of background information not always relevant to the expenditure decision, and some included numerous appendices. All of which tend to lead to a longer document, longer review times throughout the chain, and should be avoided.

Full Business Cases

Figure 4.11: Number of Compliant FBCs by Case

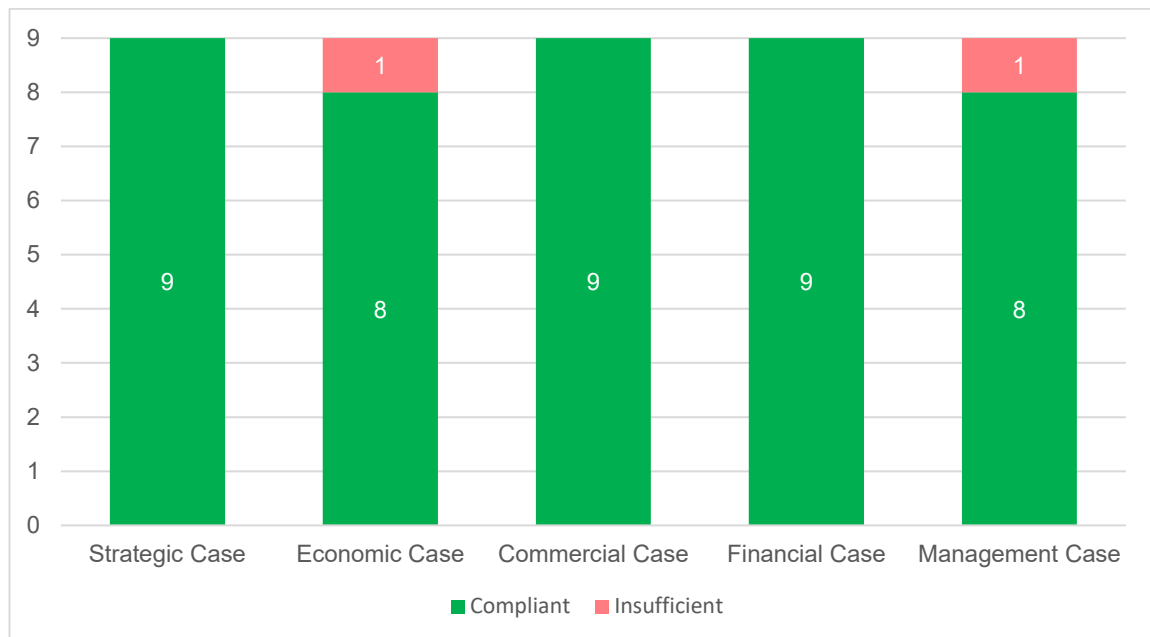
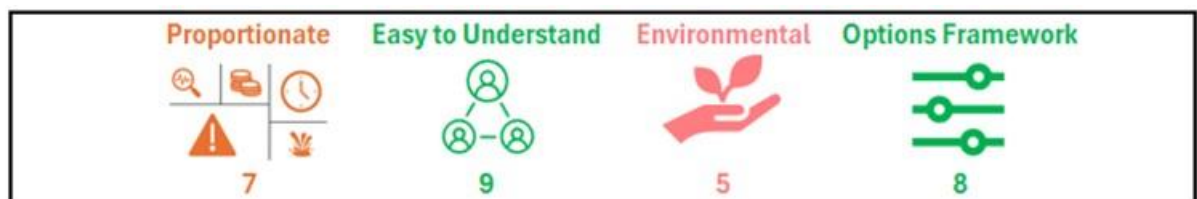


Figure 4.12: Assessment of Other Key Aspects



As Figure 4.11 above shows, the majority of FBCs reviewed complied with BBCNI guidance, with only two considered to have insufficient information.

One did poorly in the Economic Case because it did not include prepared appraisals for each of the service providers at Best and Final Offer (BAFO) stage. However, in this case, there were only two tenders, and the costs were not dissimilar (up front capital costs), thus it is unlikely this analysis would have added anything in this instance. (This would have been more useful if it involved service providers with varying ongoing costs.)

The Management Case was considered insufficient in one FBC because it did not include a Benefits Realisation Plan.

Other key aspects are:

- Just over half (5 of the 9) completed environmental screening. However, this should be treated with caution as FBCs would only be expected to undertake screening if this was done at SOC stage, some of which may have predated the introduction of relevant BC guidance.
- Regarding proportionality, most BCs were reasonable although two were considered too long. One effectively rewrote the OBC which should not be the case (an FBC should focus on any changes since OBC stage; if nothing has changed it is enough to state this and move on). The other, which was for a particularly high level of expenditure, used a pro forma to present large charts/graphs in text boxes which added to the page numbers and made it difficult to navigate. In some instances, it is easier to present the BC using a blank document.

5 Part A Conclusions and Recommendations

The key conclusions in this part of the Review are outlined below, along with a summary of lessons learned and recommendations.

Conclusions

The Final Review confirms that the rollout of the BBCNI guidance has been broadly successful. Key findings include:

- Widespread adoption of BBCNI guidance across all departments.
- Reasonably robust quality and compliance in BCs, though weaknesses persist in the Management Case, notably around project delivery and evaluation planning.
- Environmental screening and specialist input are increasingly embedded but somewhat inconsistently applied, particularly in cases below departments' delegated limits.
- The Five Case Model has helped clarify roles and responsibilities, but BCs are only as robust as the information fed into them. Nevertheless, delays in project delivery can render even well-prepared BCs outdated.
- Proportionality remains a concern, primarily related to BCs for major expenditures.

Figures 5.1 and 5.2 on the next pages provide key lessons learned (or reminders) from the test-drilling exercise to be taken on board by all departments. The subsequent narrative provides further discussion around some of the key concepts.

Figure 5.1: Cases Below Departments' Delegated Expenditure Limits

<p>Minor <£500k</p>	<p>Moderate £500k-£2m</p>	<p>Major >£2m</p>
<p>• <u>Ensure to include</u></p> <ul style="list-style-type: none"> • Environmental impacts of note or confirmation that there are none. • Explanation of assumptions used for costs or benefits. • Clarity around a preferred option and, therefore, VfM. • Confirmation of funding and affordability. • Basic project delivery information. • Basic evaluation information. <p>• <u>Recommended to Use:</u></p> <ul style="list-style-type: none"> • An accessible and proportionate pro forma 	<p>• <u>Ensure to include</u></p> <ul style="list-style-type: none"> • Spending objectives, constraints and dependencies. • A robust and proportionate case for change. • Environmental & Climate Screening exercise. • Explanation of assumptions used for costs or benefits. • Explanation of qualitative analysis. • Information on procurement, contracts and risk apportionment. • A project management plan. • An evaluation plan. • A risk register and a benefits realisation plan. • Evidence of specialist advice when needed. <p>• <u>Recommended to Use:</u></p> <ul style="list-style-type: none"> • An Options Framework template where apt or, at the very least, outline a robust options analysis. 	<p>• <u>Ensure to include</u></p> <ul style="list-style-type: none"> • A robust and proportionate case for change. • Explanation of assumptions used for costs or benefits. • Explanation of qualitative analysis. • Information on contract management and risk apportionment. • Information on funding requirement, including any long-term implications where apt. • A risk register and a benefits realisation plan. • Evidence of specialist advice when needed. <p>• <u>Recommended to Use:</u></p> <ul style="list-style-type: none"> • A template (as opposed to a pro forma) can be useful.

Figure 5.2: Cases Above Departments' Delegated Expenditure Limits

SOC	OBC	FBC
<p>• <u>Ensure to include:</u></p> <ul style="list-style-type: none"> • Environmental & Climate Screening exercise. • SMART spending objectives • An Options Framework where apt or, at the very least, a robust options analysis. • Explanation of assumptions used for costs or benefits. • Reasonable level of information on potential procurement strategy. • A detailed breakdown of annual funding requirement and affordability. • A clear timeline and project assurances. <p>• <u>Recommended approach:</u></p> <ul style="list-style-type: none"> • A concise document which focusses on the strategic need for the expenditure using a robust case for change and succinct strategic context. 	<p>• <u>Ensure to include</u></p> <ul style="list-style-type: none"> • Environmental & Climate Screening exercise. • An Options Framework where apt or, at the very least, a robust options analysis. • A detailed breakdown of annual costs and explanation of the assumptions. • A detailed breakdown of annual funding requirement and affordability. • A risk register and a benefits realisation plan. <p>• <u>Recommended approach:</u></p> <ul style="list-style-type: none"> • A concise and focussed BC document which clearly sets out why the preferred option is VfM and how this will be delivered. • Avoid lengthy Executive Summaries, extensive background information or large number of appendices unless relevant to the decision. 	<p>• <u>Ensure to include</u></p> <ul style="list-style-type: none"> • An updated Environmental & Climate Screening exercise. • Prepared appraisals for each of the service providers at Best and Final Offer (BAFO) stage when considered apt. • A detailed description of tender exercise and outcome. • A Benefits Realisation Plan. <p>• <u>Recommended approach:</u></p> <ul style="list-style-type: none"> • A concise document, focussed on updates or changes since OBC stage and the procurement process.

Recommendations

- a) The use of pro formas and templates is encouraged, particularly for expenditures below departments' delegated limits, to aid drafting and keep BCs focussed on the relevant information. **It is recommended that Departments regularly review and update pro formas and templates to reflect guidance developments and ensure decision-making is clear and easily understood.**
- b) It is important to ensure that the resources (time and money) used to complete and review BCs reflect the scale and nature of expenditure and/or the level of risk involved. This is not a new concern; attempts have been made to address this in the past, and it was also an issue under previous guidance. **Therefore, it is recommended that the level of proportionality becomes a core consideration when reviewing BCs, and any concerns regarding disproportionate cases should be specifically flagged in comments.**

Whilst it should be recognised that proportionality is somewhat subjective, the focus will be on those obvious instances. DoF and economists in departments should monitor this and maintain a record of disproportionate BCs with a view to highlighting any concerns around persistency. Where it considers it necessary, DoF will raise this with departmental Permanent Secretaries as a means of escalation.

- c) Version 2 of the guidance for Incorporating Environmental and Climate Considerations into Business Cases was published in September 2025. **This requires environmental screening to be completed in BCs - applied with a proportionate level of effort. Where there are no notable environmental impacts associated with a proposal, it is recommended that the BC should explicitly confirm this.** Doing so provides clarity and assurance that environmental considerations have been addressed in all expenditure decisions.
- d) **The use of the Options Framework is encouraged, especially for expenditure above delegated limits. However, where this is not used (for example if this is considered disproportionate) it is**

recommended that a comprehensive and robust options analysis is still completed. Departments should refer to DoF [Technical Guidance for the Economic Case](#) for more information.

- e) One of the key elements of the Economic Case is an estimation of costs and benefits for the shortlisted options. On several occasions, information on the assumptions behind costs and benefits was not included or considered robust. **This is a basic requirement for all BCs regardless of the level of expenditure, and it is recommended that departments signpost appraisers to DoF's [Technical Guidance for the Economic Case](#) which addresses this issue.**
- f) A core reason to update the guidance and move to using the FCM was to have clearer defined roles and responsibilities for specialists involved in the development of BCs. This includes an assurance for decision-makers and Accounting Officers that these specialists have been involved in the process and are content that their areas of expertise within the BC are reasonably robust. However, it is recognised that this is not always required for moderate or major expenditure below delegated limits, particularly based on proportionate effort and to ensure resources are targeted at more complex, risky, novel, contentious or precedent-setting expenditure decisions. **It is recommended that signoff assurances are included for specialists within BCs below departments' delegated limits (excluding minor expenditures) when sought, and DoF will update its moderate and major expenditure pro formas to address this.**
- g) Management Cases were notably weak across the board, with a lack of detail or key elements missing. Therefore, **it is recommended that departments take cognisance of BC guidance on the Management Case²⁰ to ensure that all BCs include information on how the project will be managed, monitored and evaluated.** Furthermore, it is generally expected that projects (aside from minor straightforward expenditures) will

²⁰ [Guide to Developing the Project Business Case](#)

have a **Benefits Realisation Plan, and a Risk Register** to ensure expected benefits accrue and risks are managed/mitigated.

- h) Linked to the point above, **it is recommended that Management Case signoff from an accredited project manager (e.g. in PRINCE 2) should be the norm for all major projects.** For lower expenditures (i.e. minor and moderate expenditures) it would be expected that the SRO and project management team is content with the Management Case, and that they seek input from an accredited project manager when necessary (e.g. more complex projects).

Part B

Cost & Time Overruns for Major Capital Projects

6 Cost and Time Overruns for Major Capital Projects

Cost and time overruns for major capital projects are concerning and indeed have been the topic of reports by the Northern Ireland Audit Office (NIAO), Strategic Investment Board, and the Public Accounts Committee. This section focusses on major capital project BC addendums submitted to DoF for approval since the introduction of the BBCNI, acknowledging that most of the projects included in NIAO's 2024 report²¹, if not all, were approved before the introduction of the current guidance and FCM.

Normally, departments will submit an addendum to DoF Supply when conditions of approval have been/or are expected to be breached. Of specific interest here are the 10% cost and 12 months' project implementation tolerances associated with DoF Supply approvals. In theory, this exercise should capture notable cost or time overruns for expenditure above delegated limits reported to DoF. This section aims to identify the root cause(s) for not meeting the approval conditions, to help inform the best approach to addressing issues with project development and delivery.

The work focused on large capital expenditure projects such as infrastructure and buildings; this did not, therefore, include expenditure on contracted out services (e.g., IT) or grant schemes. The period assessed was April 2021 – March 2025, given the BBCNI guidance launched in November 2020, and considered almost fifty addendums²². The charts below present the key results, and the subsequent narrative explains these results.

²¹ [Major Capital Projects: Follow-up Report](#)

²² Most projects receiving DoF approval are delivered within their approval tolerances and do not require a subsequent addendum submission. Whilst this is an extremely crude indicator (in that it does not reflect the relative timing of original submissions/approvals and any subsequent associated addendums), in the four-year period considered addendum submission numbers represented a quarter of new submissions to DoF for approval.

Figure 6.1: Guidance used for original approvals.

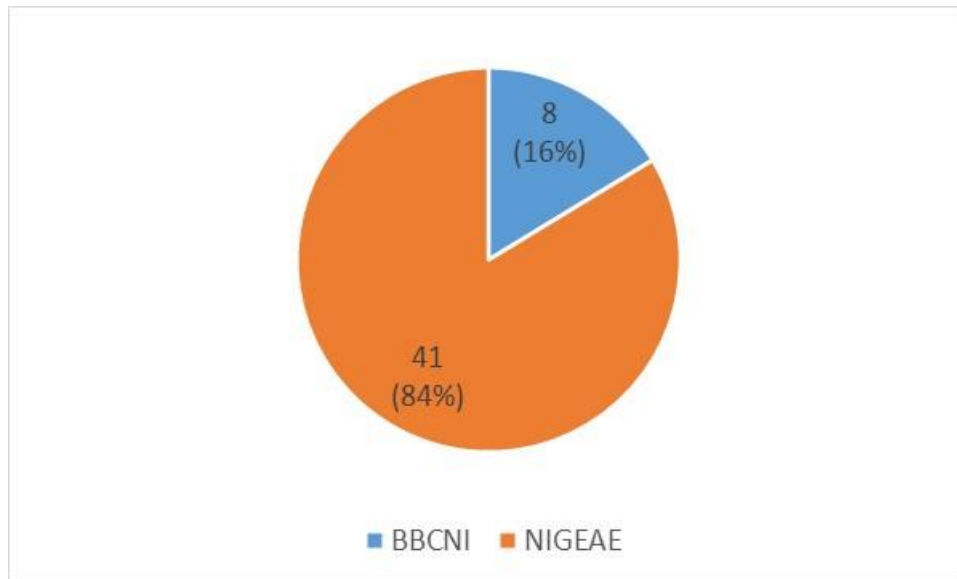


Figure 6.2: Key reasons for Seeking Reapproval²³

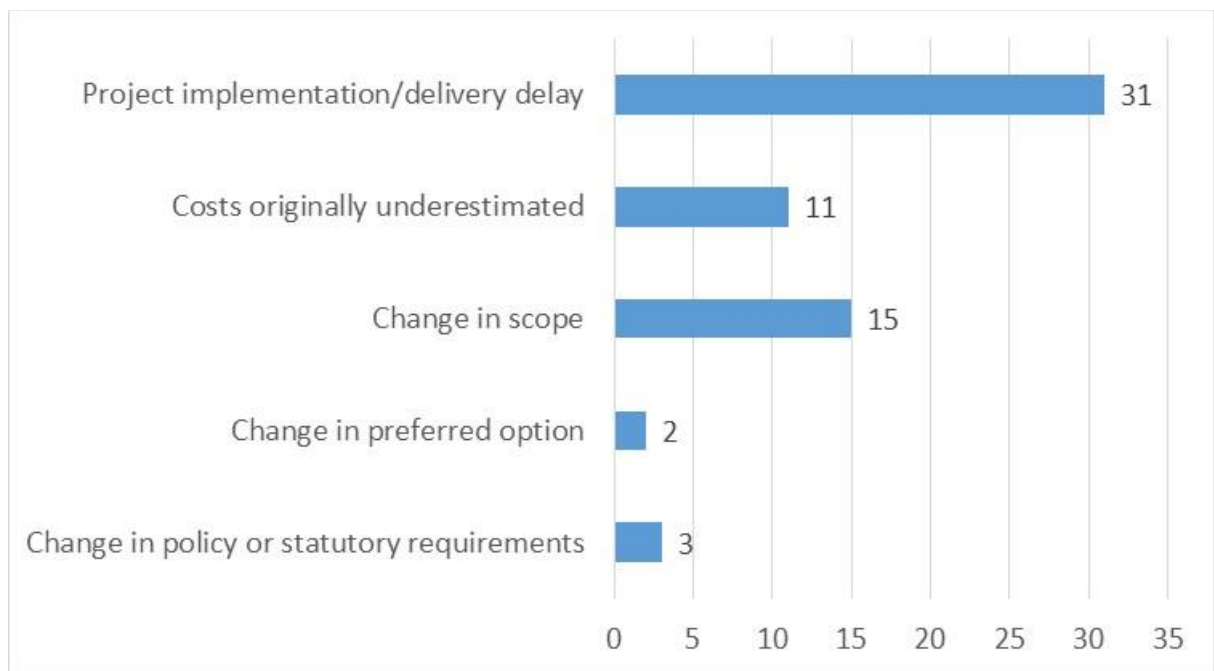


Figure 6.1 shows that most addendums were linked to expenditures approved using the previous guidance (NIGEAE). Only 8 of the 49 (16%) were linked to

²³ Note that some addendums had more than one key reason for seeking reapproval, and so the total in Figure 6.2 is higher than in Figure 6.1.

expenditure approved originally using BBCNI guidance, and 5 of these were submitted in 2024/25. This is not unexpected, given the long lead-in times for major projects, *and highlights why it is too early to draw firm conclusions around the potential impact of the current guidance on cost and time overruns.*

It is worth noting also that addressing issues linked to cost or time overruns for major capital projects was not a core driver for introducing the new BC guidance in NI. The reasons for introducing the guidance are outlined in the 2019 Review, centring on clarifying roles and responsibilities of specialists in the BC process, efficient development of BCs and streamlining expenditure approval processes. Nevertheless, the involvement of relevant specialists, such as procurement specialists, to estimate costs and timescales in the BC is obviously part of the BC development process.

Regarding the reasons for seeking reapproval, Figure 6.2 above illustrates the three main areas of concern are **project Implementation/delivery delays (31)**, **changes in scope (15)**, and **cost underestimation (11)**. Each of these issues are addressed in turn below.

6.1 Project Implementation/Delivery Delays

Figure 6.3 below shows a further breakdown of the reapprovals sought where a delay in delivery was one of the key reasons for submission of an addendum. The Covid 19 pandemic is cited as a reason for over a third of the delays (11 out of 31) – this was an extraordinary event, and it would be unrealistic to expect this to be foreseen and accounted for in the original BC. In fact, during that period there were several extraordinary economic conditions, as discussed below regarding cost estimates, that were major factors in the cost and delivery of projects.

Figure 6.3: Breakdown of Reasons for Implementation/Delivery Delay



The next biggest contributor to delays was unforeseen or unavoidable risk. To give an idea of the type of risks this involved, these have been listed below.

- Difficulty securing a power supply to the site and delay caused increase costs.
- Upon commencement of the project, the discovery of an active badger sett, combined with other unforeseen events.
- Issues encountered during the construction phase and prolongation of programmed works.
- Unavoidable delays because of inclement weather.
- Unforeseen remedial works falling outside the scope of the project, but which had to be undertaken both prior to and during the project.

By their very nature, unforeseen and unavoidable risks can occur when delivering projects of this scale. Of course, lessons can be learned and in an ideal world most risks accounted for; but the simple fact is that every project is different, with its own risks and uncertainties. This is a matter of balance, as building in too much contingency for timescale can be counterproductive as it can lead to a lower level of output as targets are laxer.

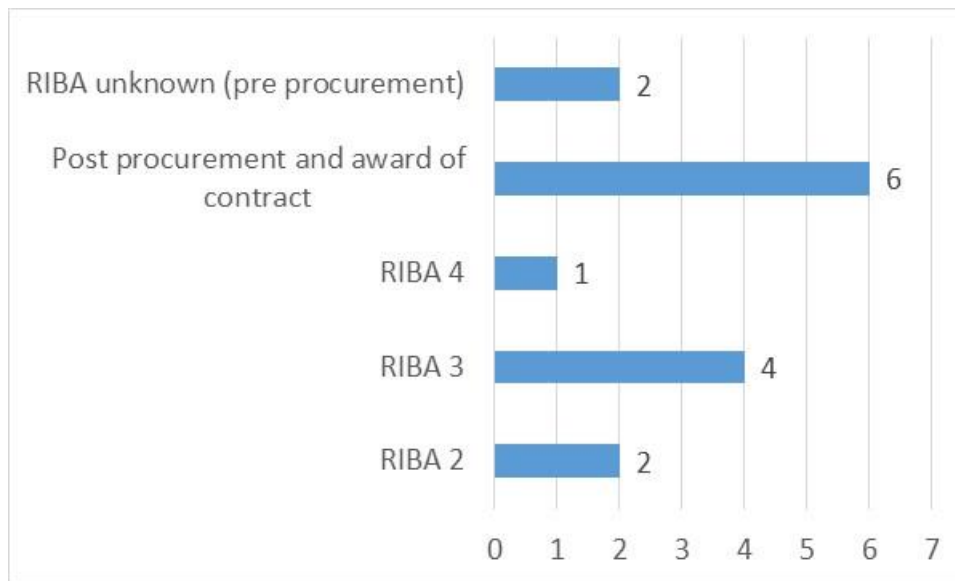
Procurement issues, delays caused by the planning process and general delivery delays (for various reasons) were cited as the remaining biggest causes for resubmissions. Again, it would be difficult to mitigate these fully when developing the BC because they are likely to be abnormal occurrences (bearing in mind the number of projects being delivered successfully by departments and their bodies every year is likely to be a large multiple of these). In fact, it appears that information in the BC was directly at fault for only one of the reapprovals, as timelines and targets were simply deemed to be unrealistic.

That said, more can be done to learn lessons from issues encountered in the delivery timescales of past projects, which can then be fed into the BC, and is something for project managers and delivery/procurement specialists to consider further.

6.2 Changes in Scope

The next biggest key reason cited for breaching approval conditions shown in Figure 6.2 was a change in scope. This was referred to in just under a quarter of the dataset - 15 of the 62. Removing the projects where Covid-19 was cited as a key reason would suggest scope change is nearly as big an issue as implementation/delivery delays (20). Figure 6.4 below provides a broad indication of what stages these projects were at when approval for a change of scope was sought.

Figure 6.4: Timing of Scope Change²⁴



This shows that just over half (9) of the changes in scope occurred before works on the project commenced and just under half (6) occurred post-procurement and after contracts were awarded. It is important to note that anything beyond the process leading to contract award is technically beyond the role of a BC in ex ante approval; therefore, anything that occurs after this cannot be impacted by changing the BC process. The issue of post-contract scope change is something that should perhaps be considered by project managers and delivery experts.

Another potential issue is scope creep from project requirements not being properly defined when original approvals are being sought, resulting in both potential time delays and cost overruns. This could partially be mitigated by establishing clear project goals in the BC and project plan. Action 4 in HM Treasury's *Guide to Developing the Project Business Case* (Determine potential business scope and key service requirements) aims to avoid scope creep when identifying business needs in the BC - by recognising the potential scope of the project in terms of the operational capabilities and service changes required to satisfy the identified business needs. It considers the range of areas to be affected, where:

²⁴ See the following link for info on RIBA (Royal Institute of British Architects) - [RIBA Plan of Work](#).

- the 'core' coverage required represent the 'essential' changes without which the project will not be judged a success.
- the 'desirable' coverage required which can be potentially justified on a cost/benefit and thus value for money basis; and
- the 'optional' coverage which can be potentially justified on a marginal low cost and affordability basis.

This has been a useful addition to the BC guidance in assisting avoiding 'scope creep' during the options appraisal stage of the project.

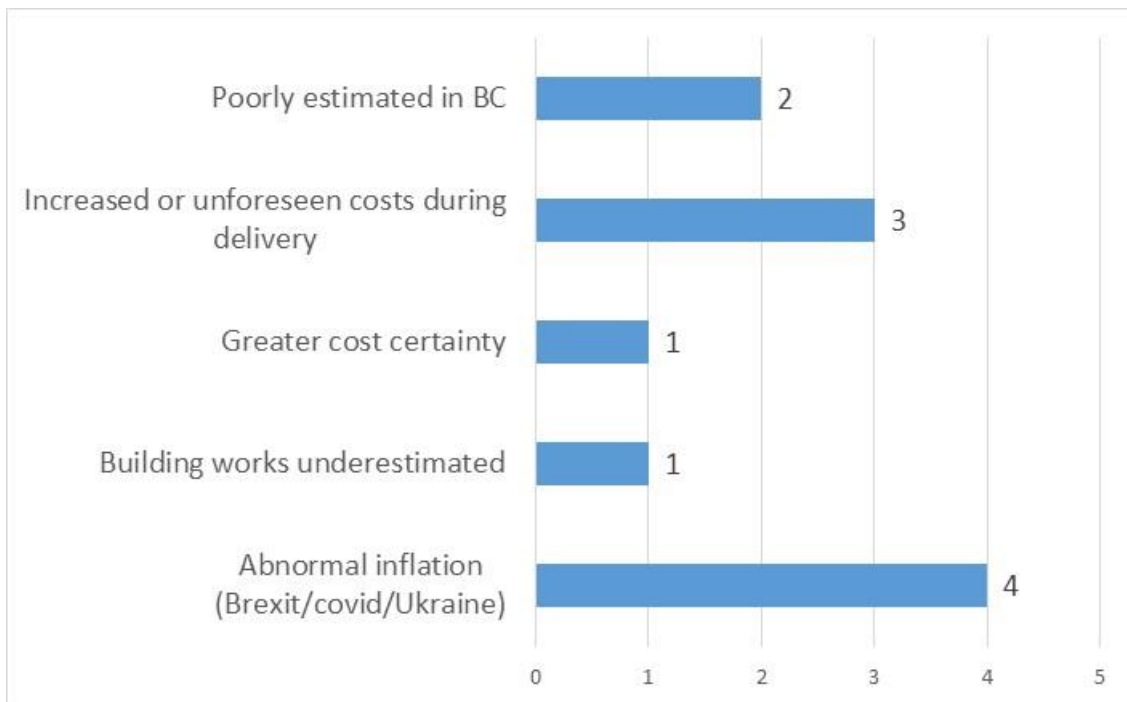
It appears DoF Supply approvals are being sought relatively early in the design stage (RIBA 1 or 2 – see footnote 24; in basic terms these are stages within the project design process) when costs and timescales are only broadly estimated before being strengthened in later stages (RIBA 3 and 4) as the preferred option is more clearly defined. A simple fix would be to seek approvals (notably DoF approval) after a more detailed design stage; however, this work uses resources and completing detailed design work on every option is not likely to be cost-effective and will add extra cost, time and effort to the BC and expenditure approvals processes – so a trade-off exists.

Going forward, consideration should be given to how design stages interact with expenditure approvals for major capital projects. There is potential for the relevant experts to be more heavily involved in the expenditure approval process to assess / advise in the future.

6.3 Issues with Cost Estimation/Projection

Figure 6.5 shows a further breakdown of the reapprovals sought whereby cost underestimation was cited as one of the key reasons. The most cited reason was abnormal inflation due to Brexit, the Covid 19 pandemic and the war in Ukraine (4 out of 11).

Figure 6.5: Breakdown of Reasons for Cost Underestimation



External shocks have played a role, in that world economic conditions over the past half-decade or so have made it more difficult for project managers to estimate and forecast costs accurately. It has often been noted, for example, that staff costs in the construction industry have continued to increase particularly post-Brexit, with skills shortages in the UK leading to increased wages. This and the war in Ukraine, and the associated high inflation of the past few years has had an ongoing impact on costs and supply lines.

Clearly, it would be unrealistic to expect such shocks to have been foreseen and accounted for in the original BCs.

Building works being underestimated and poorly estimated costs in the BC were reasons given for 3 out of 11 picked up in this part of the Review. It is important to note these costs are estimates/projections and inevitably they are not always going to be correct, but there is potential scope for improvement with this issue. One of the main aims of introducing the FCM was to make sure the appropriate experts were involved in each case of the BC. Subject to resourcing, there may be potential for a more collaborative approach to reviewing costs in the BC with all the relevant specialists.

6.4 Experiences with Cost and Time Overruns Elsewhere

A brief web-based review of experiences delivering capital projects in Great Britain and Ireland indicates the issues identified above and in reports mentioned at the beginning of this chapter are not unique to NI. For example, some key findings for capital project overruns in Great Britain are:

- Project forecasts are frequently overly optimistic, underestimating costs and timelines to secure approval and leading to unrealistic expectations and inevitable overruns.²⁵²⁶
- Projects often begin with incomplete designs, leading to scope changes mid-delivery, driving up costs and extending timelines.²⁷
- A fragmented and constrained supply chain limits competition and efficiency, especially when delays reduce contractor appetite to bid.²⁸
- Projects often lack clear strategic direction, and leadership continuity, which undermines delivery.

It noted average cost overruns of 57% across major UK infrastructure projects, with the average cost overrun on roads projects being 66%²⁹³⁰; average time overruns of 35% indicating a strong correlation between delays and cost inflation; and a UK government study found that almost 60% of public investment projects are delayed by at least one year.³¹

The *National Infrastructure & Service Transformation Authority* (NISTA) reports on the progress of projects in the UK Government's Major Projects Portfolio and figure 6.6 below shows the headline results from its recent report (2024/25).³².

²⁵ [New report exposes £17bn of overruns on major government projects](#)

²⁶ [What causes delays and cost overruns on major infrastructure projects?](#)

²⁷ [ice-green-paper-why-do-major-projects-cost-so-much-final-1305.pdf](#)

²⁸ [Cost Drivers Of Major Infrastructure Projects In The UK | Major Projects Association](#)

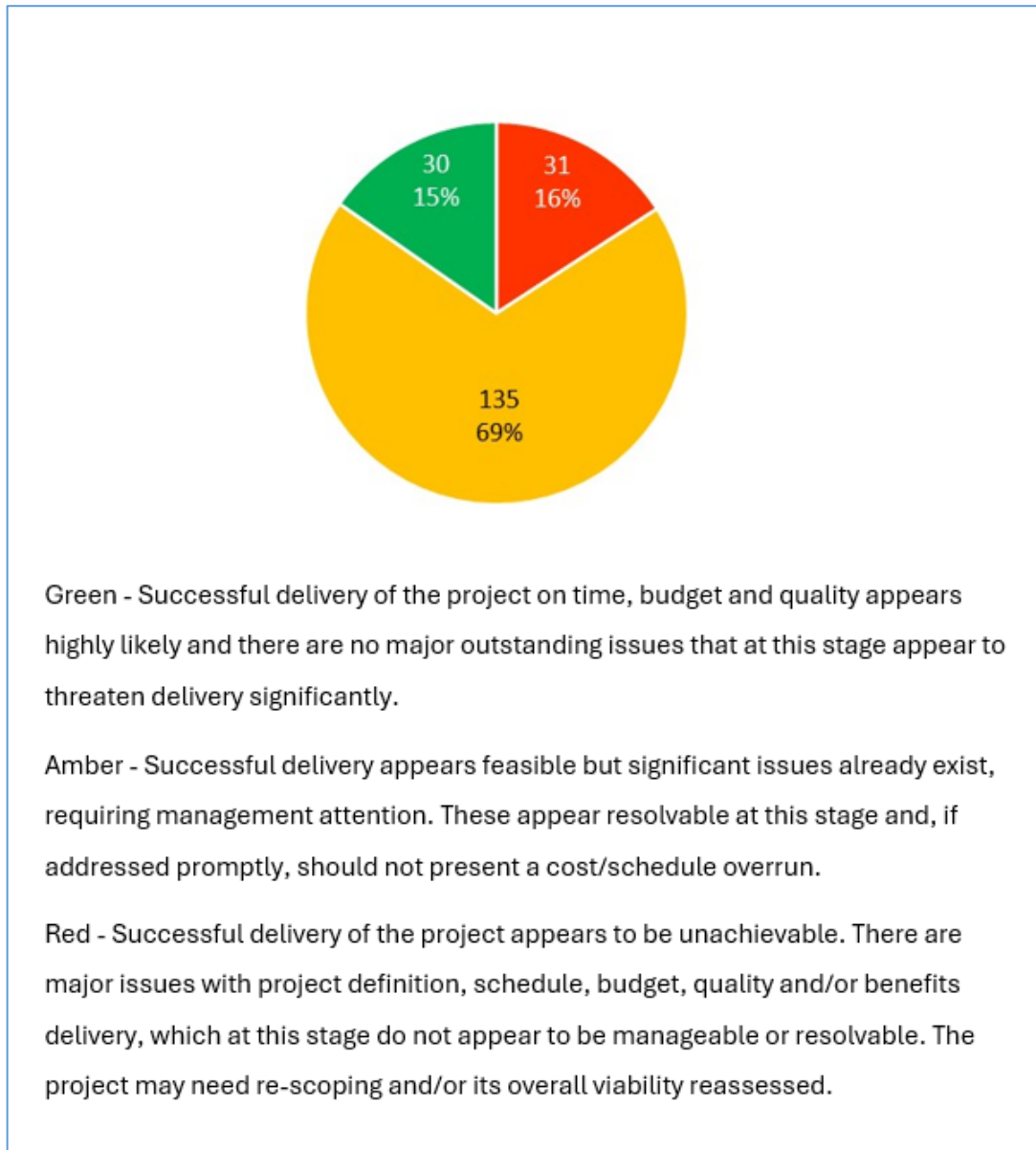
²⁹ [Uplift in Demand, Shortfall in Supply: Can the UK Deliver on Its Infrastructure Investment Ambitions? | BCG](#)

³⁰ [Smart Infrastructure Magazine | Why UK infrastructure projects keep...](#)

³¹ [Delays in Public Investment Projects - GOV.UK](#)

³² <https://ar25.nista.grid.civilservice.gov.uk/report>

Figure 6.6: Headline Figures from NISTA 2024/25 Report³³



This indicates only 15% of projects are likely to be delivered without any notable issues, whereas 16% of projects have issues that cannot be managed or resolved and are likely to need to be rescope and/or retested in terms of viability. The remaining 69% have been flagged as amber and requiring proactive project management to ensure the risk of cost and time overruns are minimised.

³³ Excluding exempt projects.

The cost issue is largely mirrored in Ireland, where major capital projects have consistently experienced significant cost overruns, often exceeding initial budgets by wide margins. Examples include the National Broadband Plan (500% overrun), National Children’s Hospital (>100%), and Dublin Port Tunnel (430%).³⁴ A review found that 35 out of 38 health and education projects in Ireland ran over budget *after* contracts were signed.³⁵

An ICE (Institution of Civil Engineers) Green Paper from 2025 notes that world-wide, of a sample of 3,022 global infrastructure projects, only 27% were on budget or better, 2.8% were on budget and on time; and only 0.2% were on budget, on time, and delivered the stated benefits. It also noted that the UK performs below average in terms of delivery speed compared to peer countries.

Finally, comparing public to private sector projects, the ICE paper noted the former tend to have a higher frequency and magnitude of cost overruns due to optimism bias and political pressure to approve projects; weak accountability and limited consequences for poor forecasting; and complex governance structures that slow decision-making and increase risk. The table below provides an overview of findings.

Table 6.1: Key findings from ICE Paper

Aspect	Public Sector	Private Sector
Cost Overruns	Frequent, often >50%	Less frequent, typically <30%
Time Overruns	Common, multi-year delays	Shorter delays, stronger delivery discipline
Accountability	Weak, political and bureaucratic incentives	Strong, market-driven consequences
Cost of Capital	Lower nominal, but high opportunity cost	Higher nominal, but more efficient use
Risk Management	Often retained by government	Transferred to contractors/investors

³⁴ [The five mega projects beset by issues as Government issued stark warning](#)

³⁵ ['Clear pattern of cost overruns in capital projects' as 35 out of 38 go over budget | Irish Independent](#)

7 Part B Conclusions and Recommendation

In the main, the cost and time overruns identified in the delivery of major capital projects are not unique to Northern Ireland. Unfortunately, it is a feature of big capital investments both here and internationally.

This review of the addendums submitted by Departments to DoF since the roll-out of the FCM concludes that a small minority of the issues in these addendums are directly attributable to estimates in the BC. Multiple factors, that in some cases are interdependent, have contributed, including political instability here (collapse of the NI Assembly and Executive) and abroad, the Covid-19 Pandemic, Brexit and the War in Ukraine. Moving forward, issues such as the potential for increases in trade tariffs could further impact on costs.

If we strip away these recent unusual macro-economic conditions (which could not have been foreseen to any accurate degree), it appears **most of the residual issues with these large capital projects lie with the development and delivery of projects**. This suggests the key issues to be addressed are around changing scope, project delivery and how project design stages fit with the stage of expenditure approval.

As these are issues generally linked to project management and funding, they are wider than BCs and associated guidance. Greater use of specialists when developing the BC should improve estimation and projections and could aid the issues around cost and time overruns. That said, it is likely these estimates were robust at the time of approval – it is only when the other factors which delay development and delivery come into play that such estimates and projections can become obsolete or, at the very least, require reapproval.

There is scope to further consider the role of contingency provision in the Financial Case. DoF produced Supplementary Guidance in August 2022³⁶ advising on how to address the impact of inflation in BCs with the aim of helping mitigate some of the issues around cost overruns causing re-submissions during periods of abnormally high inflation. It noted that in a dynamic inflation environment it may be prudent to consider a financial contingency measure.

³⁶ [Dealing with the Impact of Inflation in Business Cases](#)

However, care would be needed to avoid double counting with any optimism bias adjustment, and any contingency should only be accepted on the basis it is not allocated to the project unless and until needed and only then for the reasons stated in the contingency justification.

In conclusion, **it is recommended that further consideration by key stakeholders is given to how best to specifically mitigate cost and time overruns, and therefore reduce the need to seek reapproval, through cooperation between relevant parties involved in project development and delivery and expenditure approval (including P3Os, CPD, SIB, DoF Supply and SPD).**

CPD colleagues have advised **the ISNI Committee would be an appropriate vehicle to help deliver on this recommendation, calling on the expertise of others as appropriate.** SIB has initially indicated it is content with this recommendation, and this will be discussed further with it. An alternative way to deliver this recommendation could involve setting up a working group of key stakeholders.

Work should focus on reducing scope changes (pre- and post-initiation) and addressing controllable cost and time overruns during delivery - including consideration of how costs and timescales are estimated, and how the design stages integrate with the expenditure approval process. Furthermore, investigate the potential to further share lessons learned from past projects across NICS to aid with cost and time forecasting.

This would complement work SIB has commenced relating to the expenditure approvals process that is linked to its role with the Investment Strategy NI.