



29 August 2022

Sarah Cremin
Committee of Public Accounts
Leinster House
Dublin 2
D02 XR20

Ref: S0963 PAC33

Dear Sarah,

I refer to the Committee's request for my Department to provide an update regarding the status of the business case for the relocation of the National Maternity Hospital.

To date, DPER has not received the formal business case for the proposal from the Department of Health. The Department of Health has confirmed to DPER that the Business Case for the relocation of the NMH is currently undertaking the External Assurance Process, in line with the requirements at Gate 2 (prior to tender) of the Public Spending Code.

For major projects (those with estimated costs in excess of €100m), my Department has put in place an External Assurance Process to provide independent project scrutiny at the approval in principle stage and at pre-tender approval stage. These independent reviews will focus on issues such as cost, risk and ability to deliver.

The domestic and international evidence shows that the greatest impact on improving project outcomes comes from investment in project preparation. The greater level of preparation and critique that is done on the earlier stages of projects leads to more considered decisions and better outcomes by project finalisation. The purpose of the External Assurance Process is to improve value for money and support funding departments and Government with expert insight relating to project risks, delivery feasibility, and robustness of costings, governance and procurement. This assists Government in making decisions based on a more realistic assessment and with a full picture of the proposal, its costs, risks and benefits.

The Business Case and External Review are required to be submitted to DPER for consideration by the Major Projects Advisory Group (MPAG), prior to seeking Government approval at Decision Gate 2.

The MPAG supports DPER in assimilating the outputs from the external reviews, and aids government departments and agencies in improving the quality of project proposal, informed by the perspective of those who have successfully delivered major public infrastructure in Ireland. Project proposals and external reviews are scrutinised by MPAG as a prerequisite to seeking Government approval in principle to proceed with the proposal and Government approval for permission to go for tender.

Yours sincerely,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke.

David Moloney
Secretary General
Department of Public Expenditure and Reform