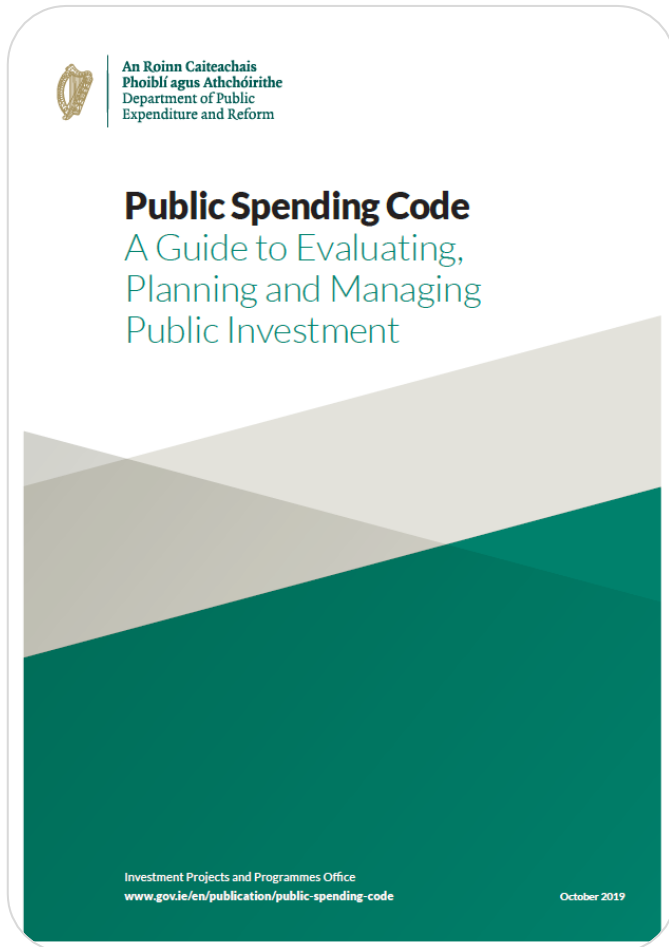


2019 Update to the Public Spending Code

Implications for TII Project Appraisal

11th September 2020

The Public Spending Code



What is the Public Spending Code?

- Rules, procedures & guidance to ensure Value for Money
- Framework on how programmes/projects should be appraised, managed, evaluated and reviewed post-implementation.

Why do we need one?

- Making sure we get it right
- Build on what's already there by bringing together all elements of the Value for Money framework and updating it.
- To assist anyone involved in any stage of Expenditure

Hierarchy of Project Appraisal / Management

Public Spending Code, DPER (December 2019)

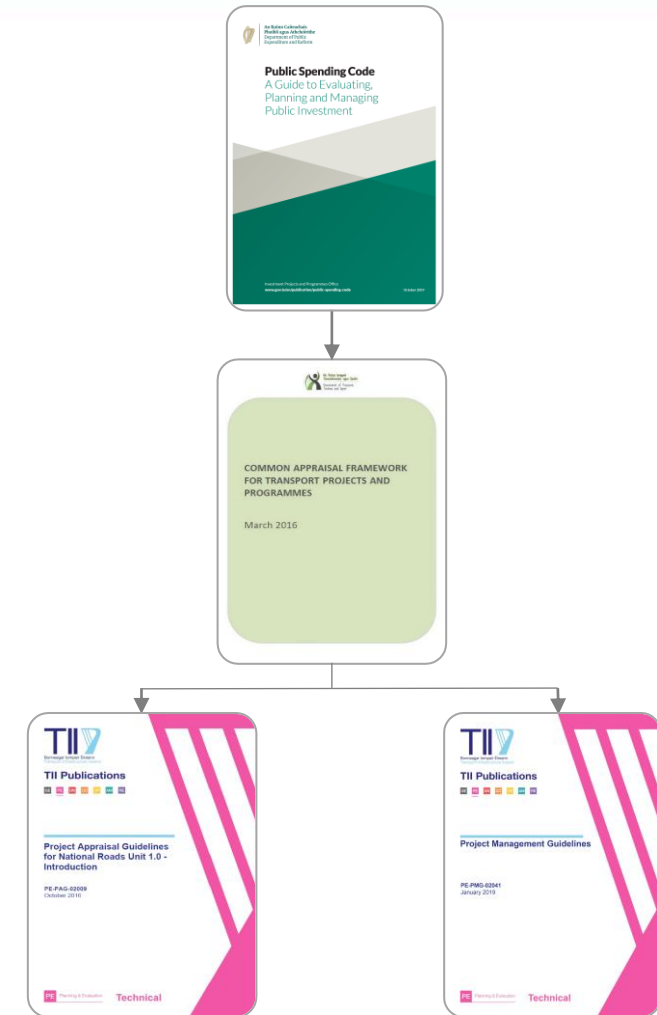
Rules for appraisal of all capital and current public expenditure

Common Appraisal Framework for Transport Project & Programmes, DTTaS (March 2016)

Guidance document for projects in the transport sector

Project Appraisal Guidelines, TII (2016)
Guidance documents for appraisal of all TII National Roads projects

Project Management Guidelines, TII (2016)
Guidance document for management of all TII National Roads projects

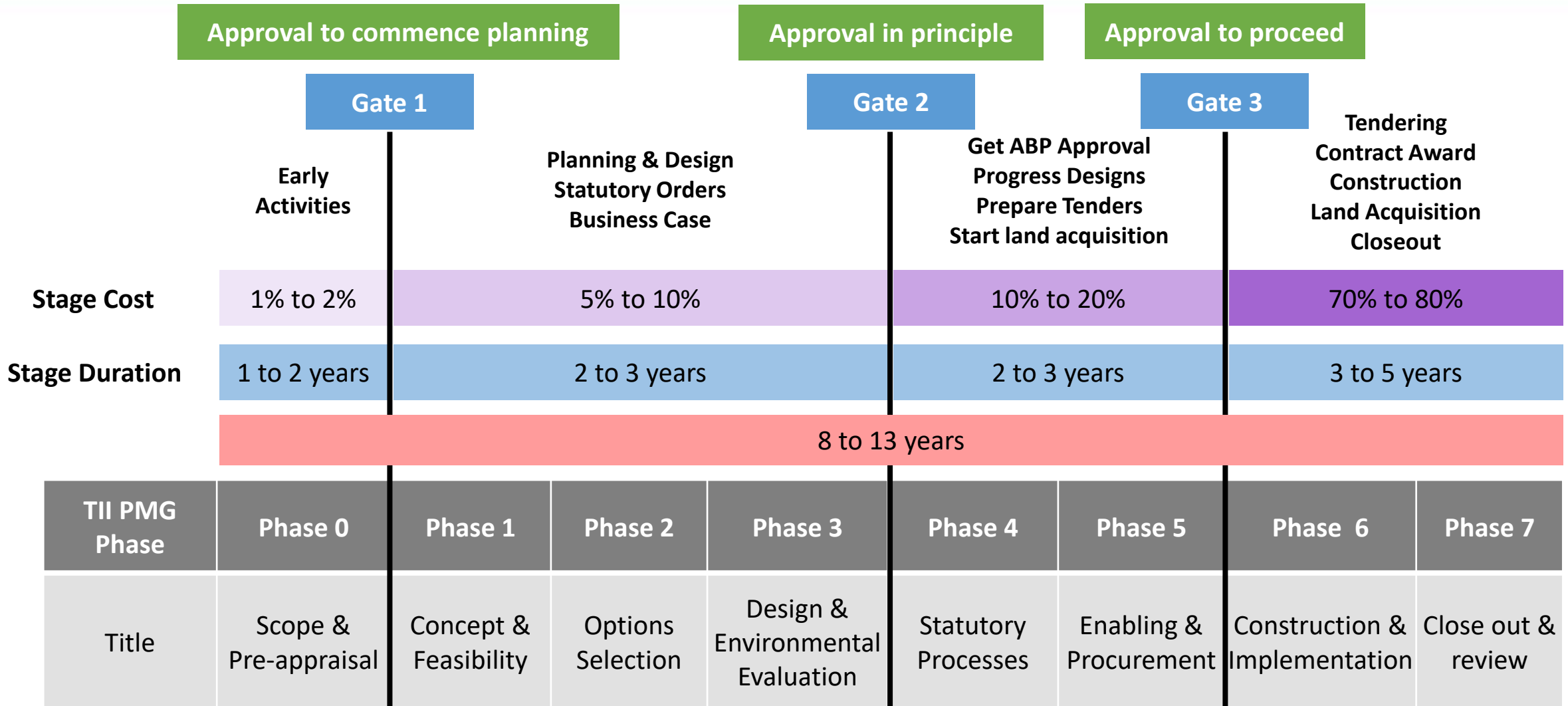


What's New?

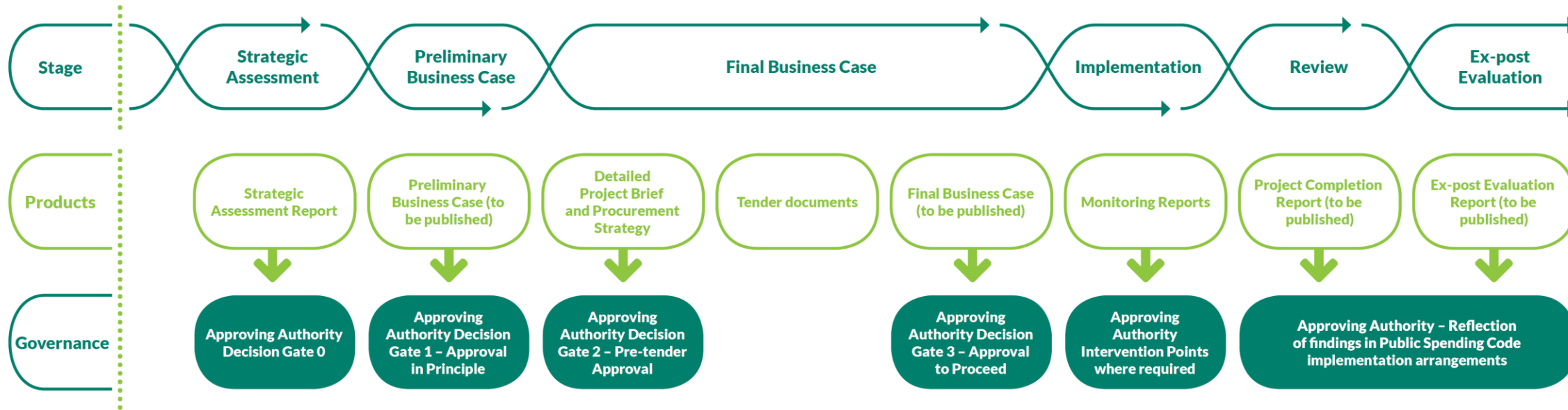
- Clarity on Roles
 - Approving Authority
 - Sponsoring Agency
- Greater focus on entire project lifecycle
- New approval points / decision gates
- New thresholds for submission for DPER review
- New Strategic Assessment stage



Current Roads Project Lifecycle



New PSC Project Lifecycle



TII PMG Phase	Phase 0	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7
Title	Scope & Pre-appraisal	Concept & Feasibility	Options Selection	Design & Environmental Evaluation	Statutory Processes	Enabling & Procurement	Construction & Implementation	Close out & review

Lifecycle / Approvals

Section 4.13, Page 35:

*“In some sectors, Approval in Principle may occur later in the project lifecycle, for instance, in the case of **major transport infrastructure** it can occur at the point of entering the **statutory planning process**.”*

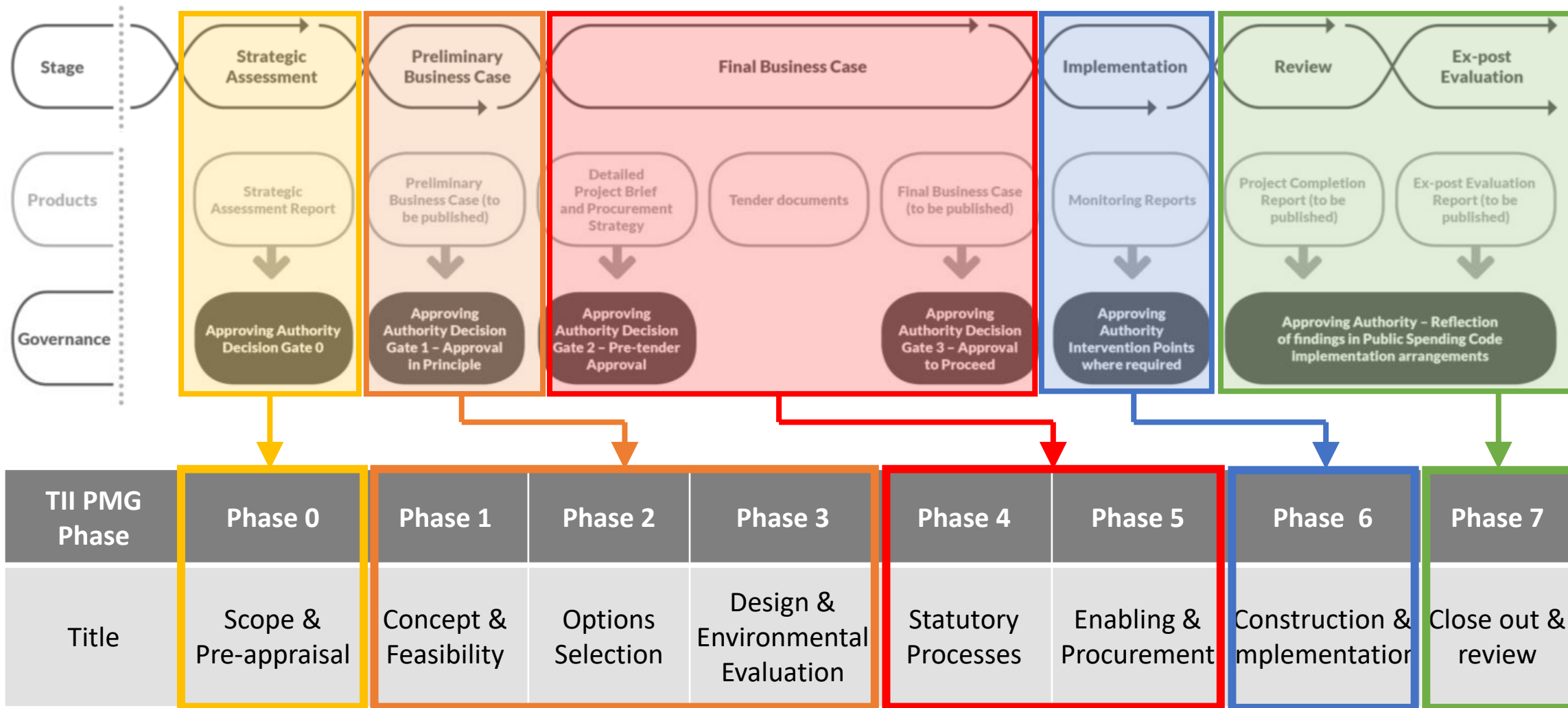
*This should be clearly set out in the **agreed sectoral framework(s)**.”*



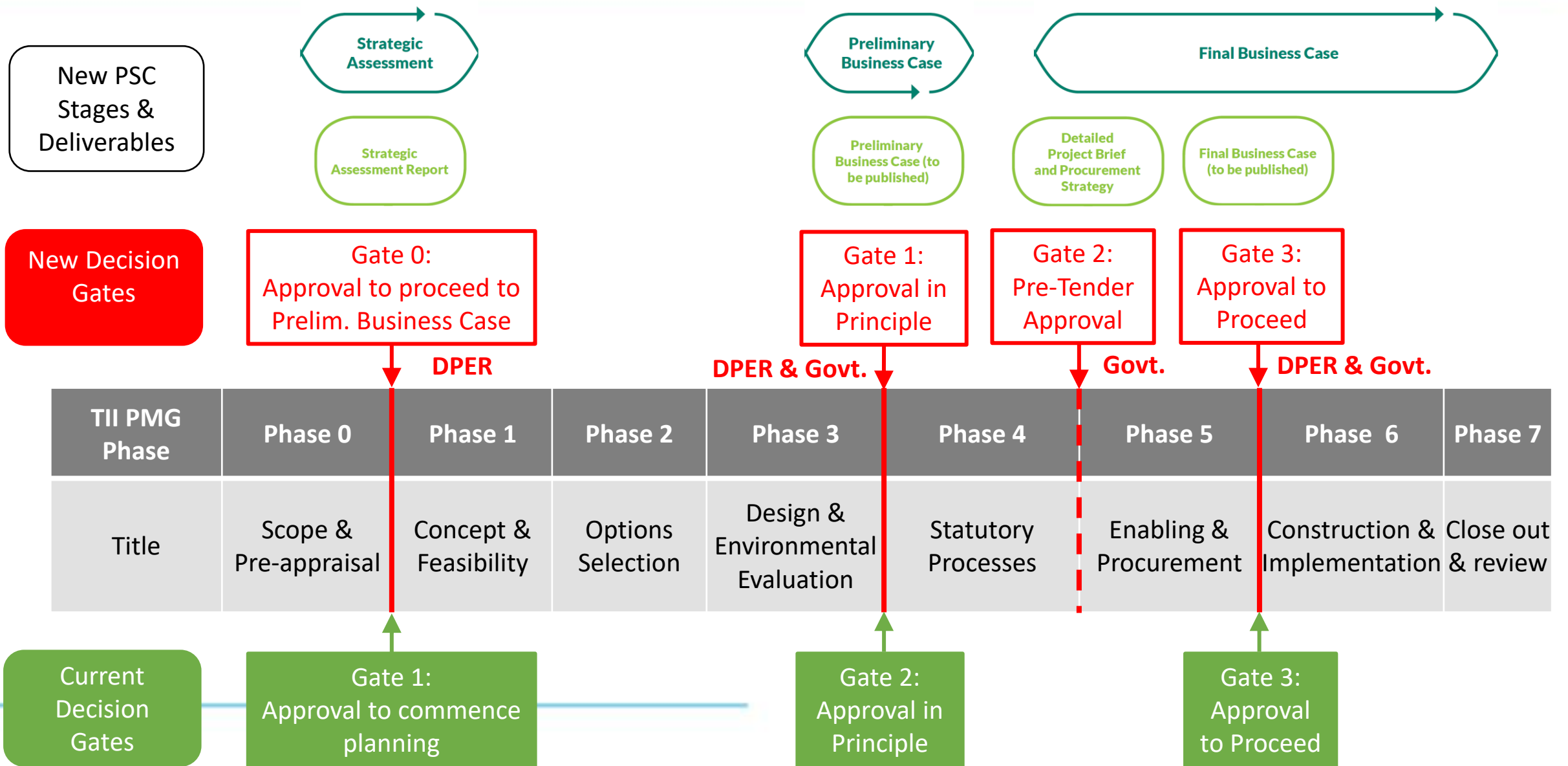
COMMON APPRAISAL FRAMEWORK
FOR TRANSPORT PROJECTS AND
PROGRAMMES

March 2016

Alignment with TII Project Phases



New Decision Gates & Deliverables



Phase 2 Business Case

PAG Unit 8.0 Business Case:

“...A report that summarises the preliminary appraisal process undertaken during Phase 1 - Concept & Feasibility Studies and Phase 2 - Option Selection.

...considers the range of alternatives and options proposed to solve the identified problems.”

- Documents the process employed to arrive at the preferred option for a scheme
 - This will remain a critical approval point for TII projects
 - The Phase 2 project appraisal deliverables, including the Business Case, will continue to be subject to a TII PAG Audit
-

Confusion...



- Current CAF & PAG:
 - Phase 2 – “Preliminary Business Case”
 - Phase 3/5 – “Detailed Business Case”
- New PSC:
 - Phase 3 – “Preliminary Business Case”
 - Phase 5 – “Final Business Case”
- New CAF and PAG will revise document titles to be consistent with PSC
- TBC:
 - Phase 2 – “Options Appraisal Report”
 - Phase 3 – “Preliminary Business Case”
 - Phase 5 – “Final Business Case”

Thresholds for review / approval

	Current CAF Requirements		New PSC Requirements	
Stage	SRAD Review	Government Sanction	DPER Review	Government Sanction
Strategic Assessment / Pre-Appraisal / PAP	Projects > €5m	-	Projects > €100m	-
Preliminary Business Case	Projects > €20m	Projects > €100m	Projects > €100m	Projects > €100m
Final Business Case	Projects > €20m	Projects > €100m	Projects > €100m	Projects > €100m
Monitoring Reports	-	-	-	Projects > €100m* <i>* Intervention where required</i>
Project Completion Report	-	-	Projects > €50m	-
Ex-post Evaluation	-	-	Projects > €50m	-

Strategic Assessment

- First stage of the project lifecycle
 - Critically examine the specific problem to be addressed
 - Early scrutiny of objectives
 - Consideration of options
 - Identification of risks.
- Must happen as early as possible in the concept phase of a proposal
- Ensure the strategic fit of potential projects and programmes with government policy
- We do most of this already in the Project Appraisal Plan / Pre-Appraisal process!



Strategic Assessment

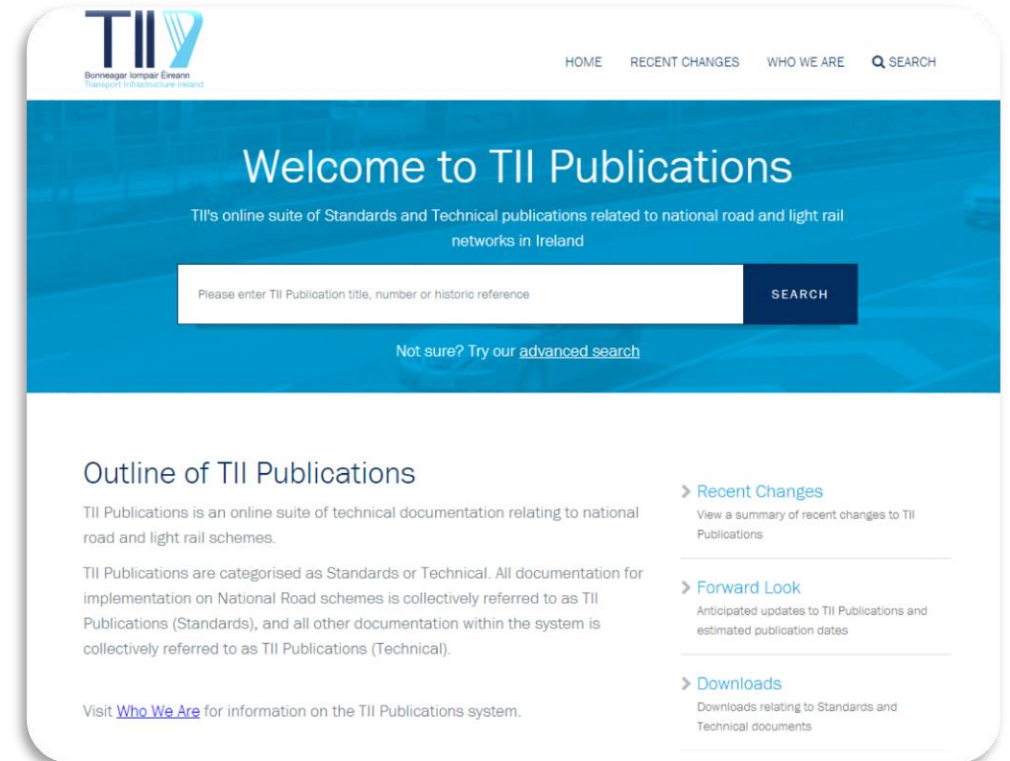
SAR Requirement	Covered in PAP	Comments
Investment rationale	✓	Currently in Problem Definition
Objectives	✓	Covered in Scheme Introduction
Strategic alignment	✓	Currently in Problem Definition
Preliminary demand analysis	✓	Undertaken to support Problem Definition
Long-list of potential options	✓	Consideration of Alternatives & Options
Range of costs	✓ X	For project classification, indicative ranges e.g. €0-20m, €20-100m, €100-250m

Strategic Assessment

SAR Requirement	Covered in PAP	Comments
Affordability assessment	X	Reference to the capital allocation in the NDP (major)
Identification of risks	X	High level generic risks, any clear project specific risks. Provide details of processes/tools to be employed to manage risk through lifecycle
Framework for key performance indicators	X	Provide relate KPIs to the project objectives. Provide a Logic Path Model
Appraisal plan	✓	Currently in Transport Modelling / Appraisal Methodology
Outline governance plan	X	Identify key roles: sponsoring agency, approving authority, project steering group, peer review group etc.

PAG Update

- Underway in parallel with DTTaS CAF Update
- 1st stage – compliance with new Public Spending Code
- 1st element – PAG Unit on Strategic Assessment
- Further elements:
 - Units that refer to project lifecycle
 - Business Case Units
- 2nd stage – new/updated appraisal guidance where applicable e.g. wider impacts, sustainability, active travel



<https://www.tiipublications.ie/email-alerts/>

Thank You

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