

Address:
110 George Street
Edinburgh
EH2 4LH

Telephone:
0845 146 1010
Fax:
0845 146 1009

Website:
www.audit-scotland.gov.uk



Press release

Strictly embargoed until 00:01, Tuesday 24 June 2008

Large public projects need more robust cost estimates to allow better scrutiny before they are approved

The Scottish Government and the Parliament should be given better information before the key decisions are made about whether major public construction projects should go ahead.

An Audit Scotland report published today, *Review of major capital projects in Scotland*, is the first systematic review of major public sector capital projects in Scotland. The Scottish Government is currently spending about £4.7 billion, or about £1000 per person in Scotland, on projects such as roads, railways, prisons and hospitals. This figure is to rise to £10.5 billion over the next three years.

The report says that those involved in decision making must be able to properly scrutinise and challenge proposals for major projects. This means clearer and more accurate information about costs, value for money and timescales.

Robert Black, Auditor General for Scotland, said: "Current and planned major capital works in Scotland make up a large programme by any standards, and it requires the Scottish Government to make very important choices about which projects should go ahead. Good decisions can only be made if there is accurate and robust information about the likely costs, benefits and timescales of projects."

Audit Scotland has found that only around two-fifths of projects were completed within the costs which were being estimated when the projects were approved. But at the stage when contracts for work are awarded, information about costs and timescales was more accurate.

Mr Black said: "It is good news that projects mostly come in close to the costs and deadlines that are set when contracts are being awarded. But there needs to be improvement in the information that is available at the earlier stage when important choices are being made about which projects should be committed."

The report says a more strategic approach to managing the programme of capital projects could improve value for money and more should be done to assess and show the benefits to the public.

The report recommends the Scottish Government should report in public on the performance of projects, particularly any reasons for changes to costs and timing and what lessons can be learned from completed projects.

For further information please contact Simon Ebbett on 0131 625 1652 or Anne McCubbin on 0131 625 1653

Notes to editors

1. The report considers the progress of all 43 major projects completed in the five years between April 2002 and March 2007, which cost £811 million. It also looks at a sample of 15 current major projects with an estimated cost of £1.8 billion. It examines progress against cost and time estimates, quality specifications and project management in general.
2. A checklist of good practice aimed at helping public bodies which are responsible for managing major projects, is available on the Audit Scotland website www.audit-scotland.gov.uk
3. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website.
4. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. Audit Scotland has prepared this report for the Auditor General for Scotland.
5. The Auditor General is responsible for securing the audit of the Scottish Government and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best

possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Government or the Scottish Parliament.