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Hospital shambles proof we must aim for evidence-based delivery of major projects

THE debacle around the new National Maternity Hospital has sparked an enormous debate about the role of the Catholic Church or Catholic religious orders in providing maternity services. The row is unlikely to be the last about the place and role of religious orders in the area of healthcare.

However, there is a wider issue around the role of the State and the question of value for money. The obvious question being asked is how could the State spend €300m building a new hospital that someone else would own?

The resultant shambles has now placed the future plan for locating the new hospital at St Vincent's in doubt and - even more importantly - it runs the risk of delaying the delivery of this vital piece of social infrastructure.

It follows on from the omnishambles that was the location of the new National Childrens' Hospital. I am not talking about the row over whether it should be at St James's or not, but the fact that around €30m was spent on fees and consultants preparing the groundwork for it to be located in at the Mater Hospital site before it unravelled.

Why can we not do a better job when it comes to planning and delivering on vital national infrastructure? The answer is because we are doing it all wrong. The Government selects important national infrastructure projects to support.

Politicians are not best qualified to make those decisions. Remember the Bertie Bowl? I have yet to see a single capital-investment plan announced by government that was accompanied by the value-for-money and cost-benefit analysis that prompted the politicians to back that project.

So when the Government announces that it will support, let's say, Metro North, it doesn't publish the cost-benefit analysis that tells us why that makes sense over spending the money on something else.

In fact, the detailed cost-benefit analysis only follows after a decision has been made to support the project. What we need is a cost-benefit analysis performed at the beginning of all discussions around major capital investment. This isn't about engineering the process of selecting projects solely around money. Benefits can be quantifiable and sometimes non-quantifiable in financial terms. Infrastructure can be social as well as economic. However, that should not be used as cop-out to ignore the obvious exercise of prioritising our infrastructural needs and then implementing the plan.

At a colloquium earlier this week organised by the Construction Industry Federation, Tony Horan,

president of the Association of Consulting Engineers of Ireland, suggested that Ireland needed to establish a National Infrastructure Council. This would be an independent body that could advise government on key infrastructural priorities and conduct assessments such as cost-benefit analysis.

It would provide an evidence-based priority list, and accompanying recommendations into how various projects could be funded, whether through public funding, private funding or public/private partnerships.

He cited the UK, which in 2015 set up its own Infrastructure Commission to look at the infrastructural needs of the country over a 20-to-30-year horizon. It has a direct, professional input into prioritising projects. It does this following a 15-week "call for evidence" from stakeholders around the country. He also described how Infrastructure Australia works. Set up in 2008 to develop an infrastructural priority list, this independent body consulted with stakeholders, analysed various needs and made recommendations.

This process would create greater transparency around selection of projects, how they are financed and what represents best value for money in terms of the benefits it will bring.

Also at the colloquium, Carole Pollard, president of the **Royal Institute of Architects** Ireland suggested setting up a similar body, which she called a National Infrastructure Delivery Agency.

We already have a raft of think tanks, quangos and bodies that skirt around the issue of infrastructural need. We have the Fiscal Advisory Council that advises the government on exchequer funding in general. We have the New Era agency which advises on the semi-State companies.

But none of them hits the nail on the head in a way that places long term prioritising of certain projects, and cost-benefit analysis at the very beginning of the process. So inevitably, decisions get made at Cabinet or Cabinet sub-committees to support certain things, but no cost-benefit analysis opens up those decisions to logical scrutiny.

There is a very good reason for this - we elect politicians to run the country and we either trust them to do a good job or we don't. If we don't, in theory, we boot them out at election time and vote in somebody else. But it doesn't always work that way.

Multibillion euro capital spending decisions are closely guarded by politicians. The process around selection is utterly opaque.

An infrastructure council or delivery agency might conclude that certain projects don't make

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sense. It would have to have very specific rules governing lobbying and it probably could never be given the final say on whether something goes ahead or not. After all we are a democracy.

But they have found in Australia that it helps secure cross-party political support for projects because it doesn't look like a vote-getting stunt by government but is based on rigorous analysis.

What would an infrastructure delivery agency have to say about the National Children's Hospital or the National Maternity Hospital projects? Presumably it would have identified them as priorities a very long time ago. It would have made recommendations about value for money and cost-benefit analysis surrounding their location and funding.

It would have concluded that spending €300m on a maternity hospital that the State would not own, did not stack up and it could have recommended to government or the HSE that alternative arrangements such as purchasing the land etc, should be explored.

It probably would not have recommended that the National Children's Hospital go to the Mater site or if it did, it would have produced all of the evidence as to why it should and we might well

have it built by now.

However, de-politicising infrastructure spending is not easy. In Australia, for example, Infrastructure Australia delivered a list of 100 priority projects. Some 35 of them are in New South Wales (where Sydney is located) and 15 of them are in Victoria (where Melbourne is located). Infrastructure Australia's offices are in Sydney, prompting criticism that it is favouring one location over another.

This is par for the course when it comes to selecting projects. That sounds pretty familiar to us in Ireland. However, the Australian body can produce the evidence as to why it has chosen those projects.

Australian politicians can ignore the infrastructure body just as government here has ignored the Fiscal Advisory Council at times.

The specific issues around the National Maternity Hospital were very unusual if not unique. It was a complex process but the fact that an agreement between two parties on a €300m State spend and on a matter of such public interest was not published, is simply not good enough.

When it comes to vital capital investment we need to rethink how we are doing it.



Protesters opposed to Sisters of Charity owning the new national maternity hospital gather outside the Department of Health in Dublin. Photo: Caroline Quinn