



FOLKETINGET
STATSREVISORERNE



FOLKETINGET
RIGSREVISIONEN

March 2025
– 13/2024

Extract from Rigsrevisionen's report
submitted to the Public Accounts Committee

Time consumption and finances in state construction and infrastructure projects

1. Introduction

1.1. Purpose and conclusion

1. This report deals with the state's construction and infrastructure projects and whether they have been completed on time and within the approved financial budget. The study includes 120 projects that were supposed to be completed between 2018-2022. Rigsrevisionen has previously examined problems with delays and cost overruns in individual construction and infrastructure projects. This study provides an overview of delays and cost overruns in state construction and infrastructure projects, an overview that has not been established before.

The 120 projects have a total approved financial budget approximately DKK 91 billion and include constructions such as prisons, universities, and barracks, as well as infrastructure projects like highways and railways.

When projects are delayed or more expensive than expected, it has a range of consequences. For example, there may be less money available for other state construction and infrastructure projects, the benefits of the projects will be realized later than planned, interdependent projects will also be delayed, and issues such as slow train connections, overcrowded prisons, and worn-out classrooms may persist unnecessarily for an extended period.

This study includes the ministries with the highest spending on construction and infrastructure projects: the Ministry of Justice, the Ministry of Defence, the Ministry of Higher Education and Science, the Ministry of Children and Education, the Ministry of Culture, and the Ministry of Transport.

2. The study is based on initial information provided to the Danish parliament (the Folketinget) about the construction and infrastructure projects' expected timetable and financial budget. These details can stem from the Finance act, a funding application, or a law on construction. This study provides a comprehensive overview of deviations from the originally allocated time and approved financial budget in state construction and infrastructure projects. It does not reflect any potential subsequent funding applications that may have been approved and given to the projects after the original approval.

3. The purpose of the study is to assess whether the ministries' construction and infrastructure projects are being implemented as initially planned. The report answers the following questions:

- Have the ministries' construction and infrastructure projects been completed on time?
- Have the ministries' construction and infrastructure projects been completed within the original financial budget?

Finally, we have examined whether there is a correlation between time consumption and cost and whether changes in the scope of the projects and the selected procurement route affect whether the projects have been completed on time and within the budget.

19 of the 120 projects studied were not completed when the data collection was completed, so we do not have information on the total expenditure of these projects. Therefore, the investigation into whether the projects were completed within the financial budget only covers 101 projects.

4. Rigsrevisionen initiated the study in December 2023.



Conclusion

Rigsrevisionen mapped 120 construction and infrastructure projects across six ministries to provide an overview of how the projects' time consumption and finances have been managed. The mapping shows that approximately 60% of the projects were not completed as initially planned. The consequence is that the Folketinget approves projects based on a foundation that, in most cases – especially in terms of time – proves to be inaccurate.

About 60% of the ministries' construction and infrastructure projects have not been completed on time

The average delay across all delayed construction and infrastructure projects is approximately 2½ years. About 20% of the projects are more than three years delayed.

Construction projects are more often delayed than infrastructure projects, while delays in infrastructure projects are, on average, longer.

About 20% of the ministries' construction and infrastructure projects have been completed with a cost overrun

The total cost overrun amounts to about DKK 4.8 billion, with the construction of the Niels Bohr Building accounting for more than 75% of the total overrun.

About 40% of construction and infrastructure projects have been completed with a savings, amounting to approximately DKK 8 billion in total. In 10 projects, the savings are 30% or more below the original financial framework.

Construction projects in self-owned institutions are more often completed on time and within the financial framework than other state construction projects.

There is a correlation between cost overruns and delays in the construction and infrastructure projects. This is evident, for example, in that 17 of the 18 projects that were completed with cost overruns were also delayed. Additionally, there are more delays in projects where ministries have made changes to the scope during the project.

Rigsrevisionen recommends that the Ministry of Finance considers how to ensure that the Folketinget receives better decision-making grounds, which more accurately reflect time and finances.