

Can you change government's mind on major infrastructure projects?

Volterra Partners

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Major influencing factors

Several factors upon which Governments make decisions on projects, however these are of varying significance:

The two most important being:

- Value for money – the BCR
- Affordability

Other factors:

- Alignment with government policy
- Public opinion

Once the decision is made:

Projects resist change for good reasons:

- **Scope creep** –small changes can add significantly to cost
- **Delays** – lead to further cost increases
- **Delivery** - the measure of success is “on time on budget”

Change is a threat to the project.

Crossrail

- 35 years in development the project changed significantly
- Smaller now than originally anticipated – but still much more expensive
- Key is to make full use of the central tunnel that's what the branches are for
- Possible that transport economics overturned the Woolwich decision ... but private sector investment probably key.

HS2: Stoke on Trent

HS2 still serves Crewe BUT there will be a connection from Stoke on Trent, south to the high speed line

Stoke on Trent gets high speed rail to Birmingham and London

No high speed link to Manchester

Good outcome for Stoke on Trent



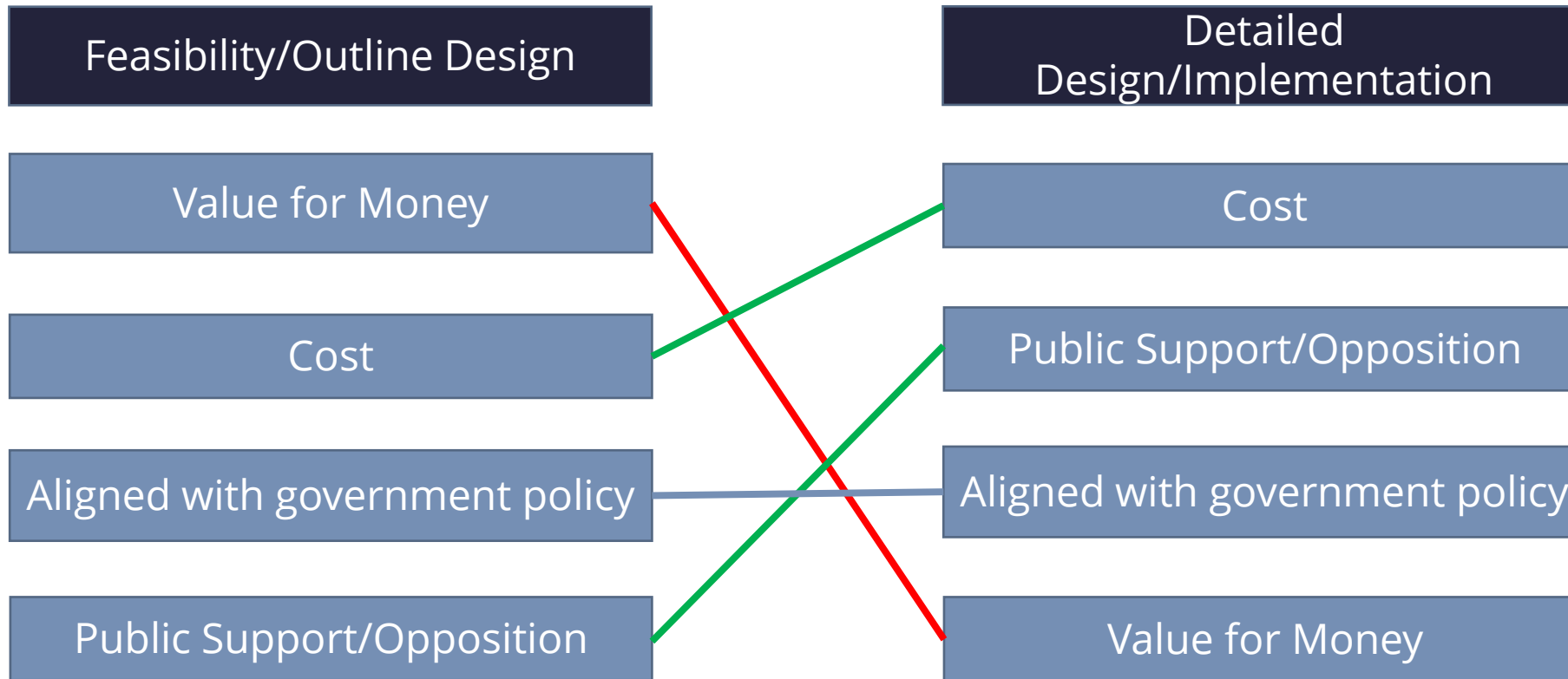
London Airports

- An extreme major project
- The public opposition is very strong to both LHR and LGW expansion
- The costs of a Thames Estuary solution are maybe HS2 *2!
- Economic arguments not playing much of a role – cost vs public opposition seems to be the key tradeoff

What have we learnt?

- **Stoke on Trent:** Cost was key factor. Value for Money and economic benefits less important beyond the feasibility stage . Persistence!
- **Crossrail:** initially all about the 'best line' eg value for money and economic benefits. Latterly, became a cost cutting exercise
- **London Airports:** Cost is important but so is public opinion/opposition.

Importance of issues changes



Conclusions

- Cost:benefit appraisal works early in the process. Make economic arguments early and know what you want.
- Public opinion/politics important. Vocal independent groups eg HACAN and NO to HS2 have significant impacts.
- Money is the big influencer. Especially private sector investment (eg JLE and CAW or Woolwich Crossrail), but also public sector funding (eg NLE).
- You need to really want it. A half hearted approach won't work
- Devolution would enable cities to have much more influence by investing their own funds into major projects

Thank you

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