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(Track 11)

Key Determinants of Decision-making in the  
Planning, Appraisal and Delivery of Mega Urban  
Transport Project (MUTP):  
Some UK observations and lessons

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# Content

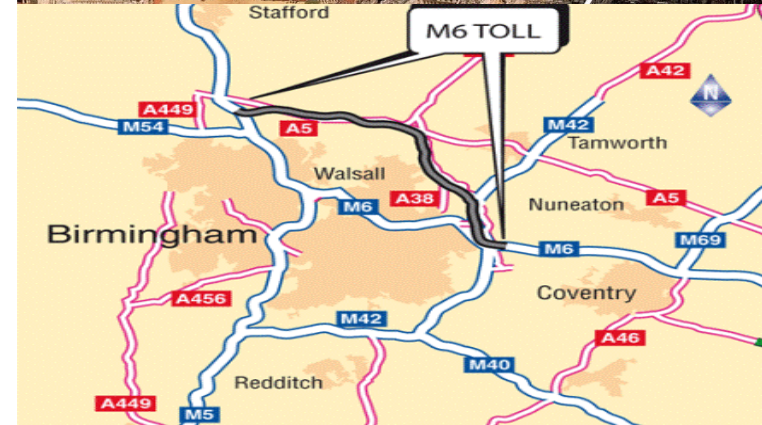
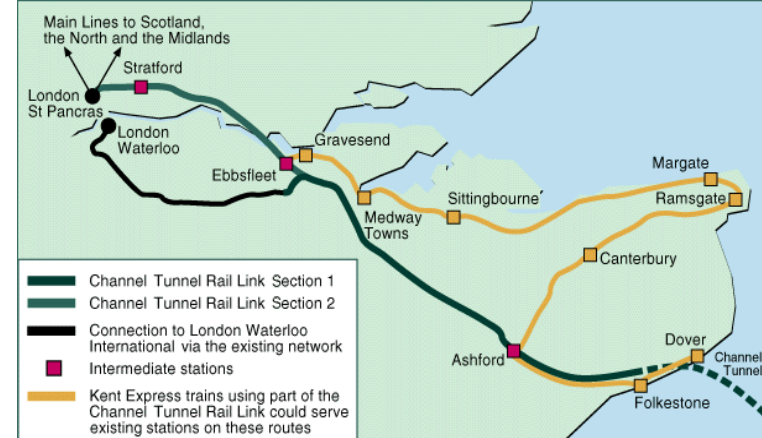
## Selected findings drawn from

### 3 UK case studies:

- Channel Tunnel Rail Link (CTRL);
- Jubilee Line Extension (JLE); and
- M6 Toll Road

## Overall research questions (ORQs):

- **ORQ#1:** Establish *what constitutes a 'successful' mega urban transport project*
- **ORQ#2:** Ascertain how well *risk, uncertainty and complexity have been treated in the planning, appraisal and delivery of such projects*
- **ORQ#3:** Establish the *importance of context* in making judgements regarding above



## □Overall Research Hypotheses (ORHs):

- ORH#1** - Traditional criteria relating to cost overruns, completion dates, generation of travel time savings for users and rates of returns to investors are inadequate measures of success in the 21st Century as sustainable development concerns become increasingly critical both globally and locally.
- ORH#2** - The new emerging international and local agenda related to vision(s) of sustainable development is multi-dimensional and goes beyond notions of environmental sustainability, as critical as this may be, in that it also concerns inter-related concepts of economic sustainability, social sustainability and institutional sustainability
- ORH#3** - The level of competence in decision-making and planning in today's fast-changing world is best assessed by the adequacy of the treatment of risk, uncertainty and complexity and sensitivity to context – all of which are important demands on Strategic Planning.

# Treatment of risk, uncertainty & complexity

## □ Clarity of visions/objectives and RUC

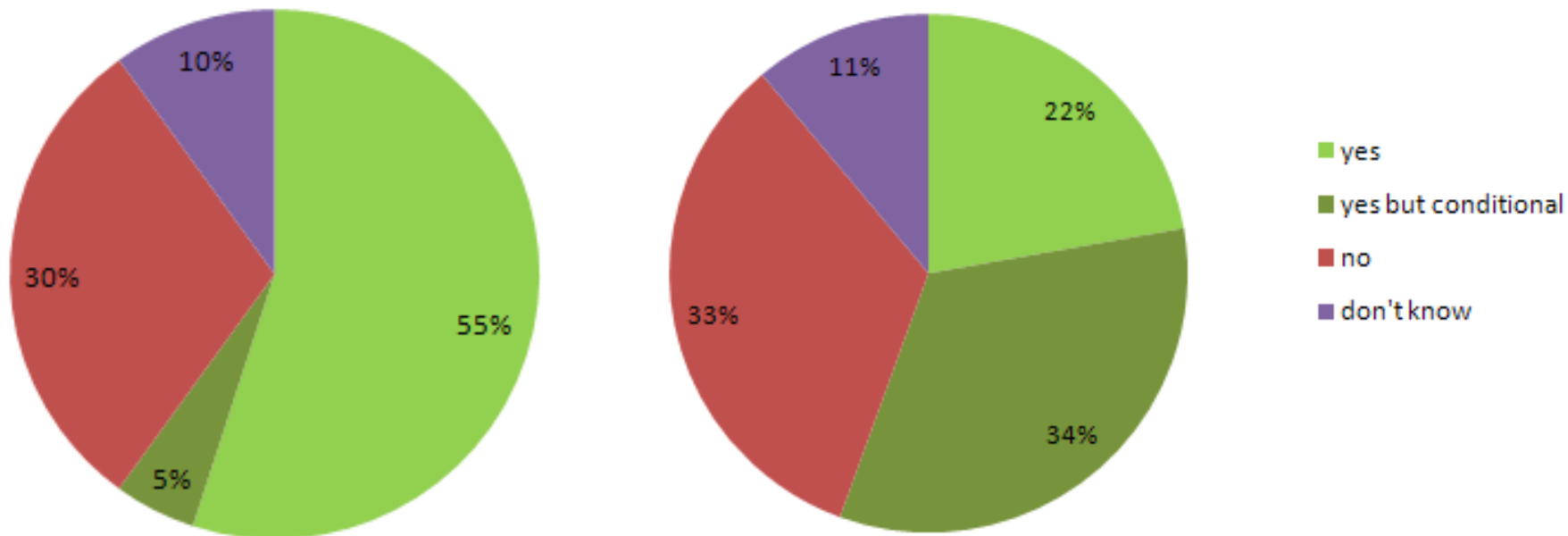
- Relevance of availability of clear visions at the commencement of project planning and delivery is **not** *always* seen as being a means to mitigate risk
- The above conclusion is confirmed by following quote in response to question: Would clear and well articulated visions objectives at the outset have made matters simpler (for CTRL)?

*"No, because if there had been a vision it would have been counter-cultural and so the press and opposition would have undermined it. The vision would have affected more money, so it would have been open to criticism by the economists.....the Treasury would have briefed its friends. There would have been marginal seats affected, the opposition trying to win or hold these seats would have been against it. The media would have said 'its expensive and there is no payback, there are other ways' – so the whole thing would have been eaten into. Whatever this country does (in terms of visions) you can be sure the rats will get at it!"*

## ❑ Time to ‘breathe’

- Many projects need to be given time to ‘evolve’ in response to changing contextual elements (e.g. CTRL & JLE), suggesting that fast-tracking of MUTPs is not always advisable.
- MUTPs were found to be organic, representing ‘evolving’ phenomena rather than merely mechanistic static engineering structures.
- The ‘time to breathe’ requirement appears particularly pertinent for those ‘complex’ projects characterized by multiple interfaces with the areas they serve/traverse; and agglomeration/secondary objectives associated with territorial restructuring/regeneration etc.
- ‘Simpler’ projects with simpler objectives (e.g. M6 Toll Road) – possessing clear project objectives at the outset are seen to require much less time to ‘evolve’ and offer effective means to mitigate risks from the interplay between different stakeholder agendas & contexts.

# Figure #1: CTRL & JLE Responses: 'Do you agree projects need time to breathe?'

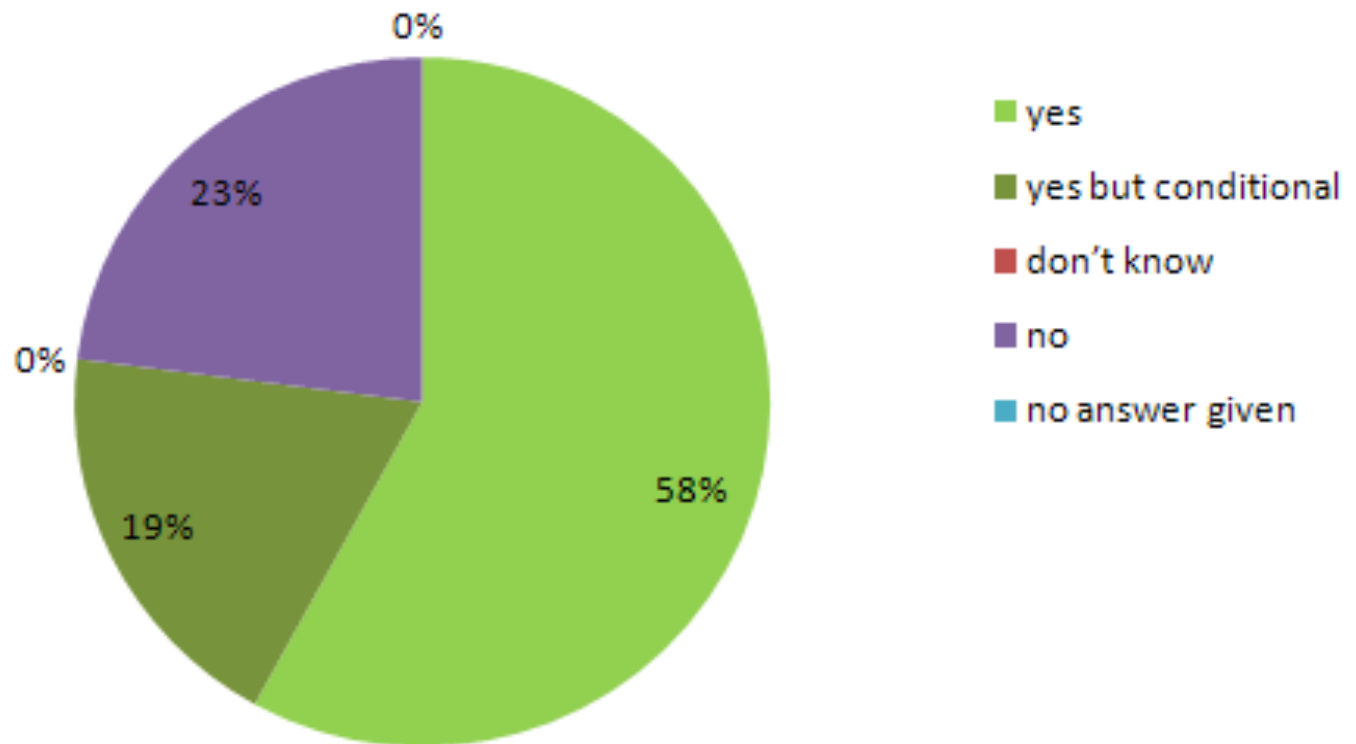


## □ Pace of change

- The majority of UK case study interviewees considered 21st Century is characterized by a faster pace of change (impacted increasingly by forces of globalization), resulting in significantly greater RUC in planning, appraisal and delivery tasks of MUTPs
- This suggests MUTPs require:
  - **enhanced competencies** in the treatment of these fields;
  - **adoption of a broader holistic view** to project planning, appraisal and delivery processes and enhanced political/tactical awareness;
  - better understanding of the potential influences associated with prevailing and **emerging future contexts**;
  - **need to identify & plan for contextual changes** brought about by MUTPs;
  - **need to introduce strategies and programmes that are robust** and adaptable in face of changing needs/demands and contexts;
  - **employment of scenario building and testing** to discern impacts of future contextual influences on project planning and delivery; and
  - **need for greater and earlier stakeholder involvement** in the planning and delivery process and identification of emerging/changing stakeholder motives and agendas, with particular emphasis of introducing public consultation exercises at early planning phase of project.



**Figure #2: CTRL Interviewee responses:**  
**“Does 21<sup>st</sup> Century pose a faster pace of change and therefore a more uncertain world requiring higher levels of competence of the treatment of risk, uncertainty and complexity in MUTP planning, appraisal and evaluation exercises?”**



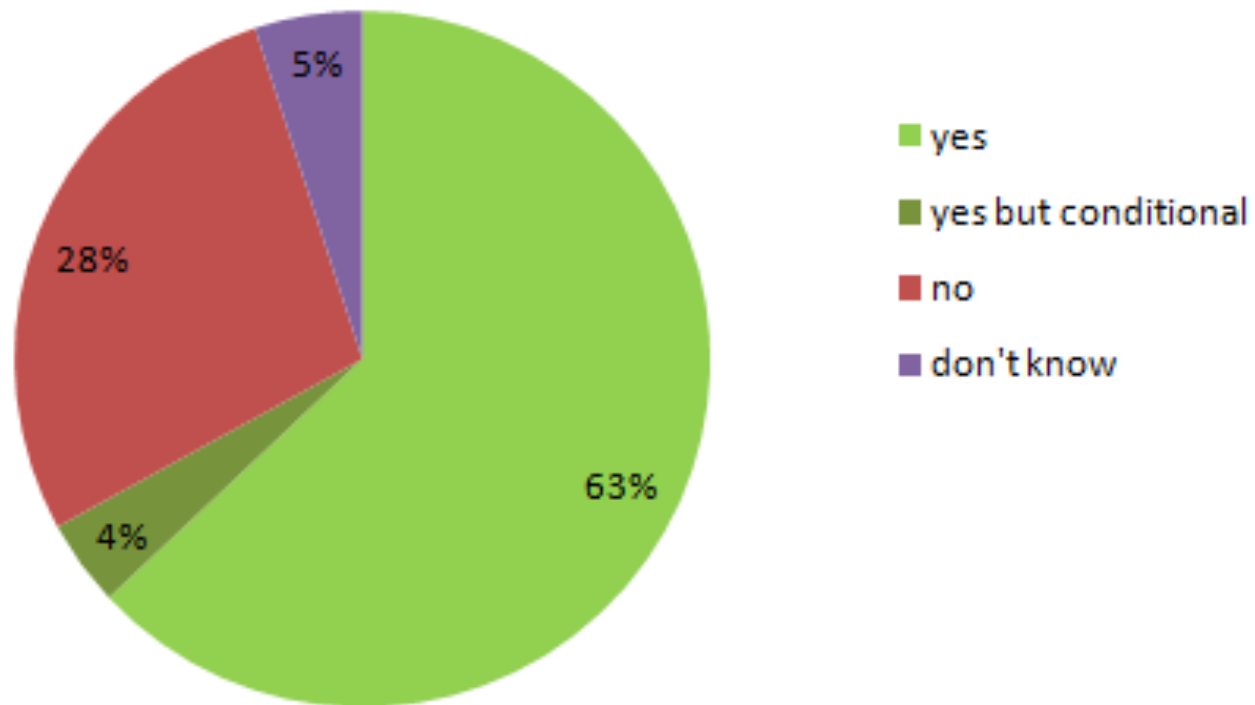


## ❑ Role of politics

- **Project planning periods for MUTPs are often highly politicized** which can make them be seen as risky ventures:
  - **In case of CTRL:** project elements such as regeneration initiatives were 'bolted-on' in response to highly effective political lobbying;
  - **In case of M6 Toll Road:** the decision to pursue project as a PFI was hardly questioned as a result of prevailing political mantras; and
  - **In case of JLE:** politics made the project 'happen' sooner than technocrats would have otherwise delivered the project in face of imperatives to meet the Millennium Dome deadline (but at higher cost).
- **Consensus building** seen to be critically important at the project planning stage as a means to mitigate risk and share 'vision.'
- **Politician project champions** deemed to be highly advantageous. Such persons are typically very astute consensus builders and have a fine-tuned awareness of risk and context.

### Figure #3:

**UK interviewee responses to question - “Is there any evidence of events where politicians have had a significant impact on the planning, appraisal and delivery of the project over and above the apparent economic rationalism approach?”**



- **Quality of business/government networks and interfaces** seen to provide important (informal) bases for assessing risk:
  - **In case of CTRL:** 1997/98 government had little option but to transfer much of the financial risk associated with CTRL back to the public sector so as to ensure project would not 'fail' or stall. This was based on political risk considerations rather financial risk concerns - there was sufficient political consensus/momentum for this.
  - **In case of M6 Toll Road:** sufficient political will to seek to mitigate the risks associated with this flagship/prototype PFI was created by providing favourable financial conditions for the concession (including a very lengthy concession period of 50+ years).
  - **In case of JLE:** Government was keen to support the project which reinforced two of the Thatcher government's policies (namely: redevelopment and regeneration of Docklands and the promotion of private sector involvement in such public projects). These positions were sustained by the New Labour administrations which followed.

## ❑ Statutory processes & impact on risk and uncertainty

- **The statutory processes** *can* be employed as a means to mitigate and increase risk:
  - **In the case of CTRL:** the Hybrid Bill process for its approval was seen to reduce risk of delays - rigorous and fast legal procedures were adopted and no local inquiry included into the project which meant that objections were handled by a select committee.
  - **In the case of JLE:** the Bill was seen as a way to mitigate risks from project objectors.
  - **In the case of M6 Toll Road:** the public inquiry system was seen as flawed by stakeholders interviewed. Here the perception was that most key decisions had *already* been taken by the time the PI took place; and/or the PI just prolonged the period of risk and uncertainty.



# How important is context?

## □ Contextual forces influencing pivotal decisions

- In case of CTRL:

- **original decision to pursue project through private financing** – was a product of the Thatcher Govt. determination *not* to have the project paid for by the public sector. It was a policy that translated into a myth by subsequent New Labour governments;
- **decision to pursue dedicated high speed line** – was a response to issues of national prestige (compared against continental, especially French successes) notion that CTRL could be used to promote regeneration;
- **arrival of new political champion** (Heseltine) and associated Thames Gateway vision subsequently carried on by Prescott but faltered when politician (Falkener) with lesser political clout given responsibility.

- **In case of JLE :**
  - **Conservative government' s policy** related to visions for Docklands (via LDDC) and private sector contributions to public projects were both supportive of project;
  - **1992 recession** and the key private sector contributor going into liquidation, thereby violating one of the government' s key policies supporting the project made rescue of project imperative;
  - **London Underground' s preference** to have a technological showcase contributed further to support for project.
  - **the Labour government' s Millennium Dome (MD) celebrations** and insistence that the JLE should be competed to enable dignitaries to travel by JLE to MD on day of opening.

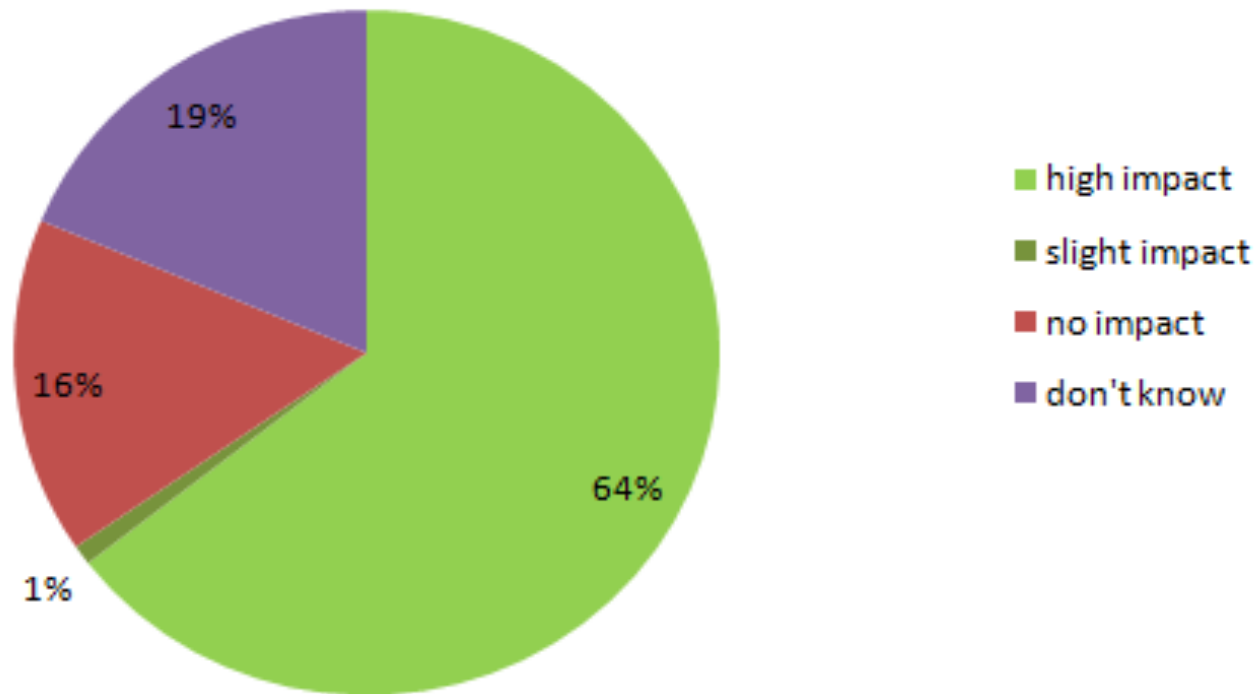
- **In case of M6 Toll Road:**
  - **government policy in relation to key economic drivers** such as improved connectivity between regions represented a favourable context for project launch; and
  - **nature of the stakeholder environment seen as 'simple'** and straightforward (i.e. few competing stakeholder agendas to grapple with).

## ❑ **Mega event impacts on risk & uncertainty**

- **2012 London Olympics** is seen as an important contextual influence on CTRL that is considered *both* beneficial and problematic in terms:
  - fixed deadlines associated with MEs 'focus the mind' and help reduce risk - enable broad consensus on the need for/commitment to action to be reached quickly and for related infrastructure to be fast-tracked in light of such matters as national/political prestige; and
  - the downside of MEs is seen in terms of the diversion of attention/oversight and resources away from other important projects, thus increasing risk.
- **2000 Millennium** again is seen to spawn *both* beneficial & problematic:
  - private sector contributors finally had certainty in the form of a specific date for completion of the line; and
  - meeting deadline led to downgrading of JLE capacity, problems with industrial relations and spiraling costs.



**Figure #4:**  
**UK interviewee responses to question - “What was the impact of mega events on the case study project?”**



- **Lessons overall for UK:**

- **need to better understand and manage tensions** between short-term political horizons and need for long-term planning;
- **need to better understand role of 'vision'** to supplant an over-dependence upon optimism bias and techno-rationalist forecasting presented as 'objective' estimates;
- **need to be better aware of dangers (and opportunities) of PFI/PPP approaches** to MUDP planning and delivery, especially when public sector finances are at low;
- **need to address currently fragmented and often poorly resources institutional contexts** for MUDP planning, appraisal & delivery; there is '.....especially a need for a (more) joined-up approach in terms of consultation and decision-making'; and
- **need to inject into forecasting methodologies** with an ability to better take into account the forces of contextual change.

## Lessons (Continued)

- wherever possible, differentiate between those objectives that are:
  - core/essential, and represent the fundamental reason(s) why the project was planned and is being implemented, and;
  - those that represent perhaps less certain but nevertheless desirable outcomes.
- enable a more consistent and broader approach to project appraisal to be undertaken employing multi-criteria analysis.
- provide for establishment of systems/processes and measurements (where applicable) that enable clear and transparent appraisal and post-project evaluation.
- be capable of being operationalized in such a way as to be meaningful to all important stakeholders.
- acknowledge that the benefits/costs/impacts associated with MUTPs are:
  - often very difficult to discern at the outset;
  - often only realised in the long-term;
  - often unexpected; but are nonetheless often critically important.