
**Decision Making on Infrastructure
KiM Symposium**

***Making Better Decisions:
Reflections from the UK***

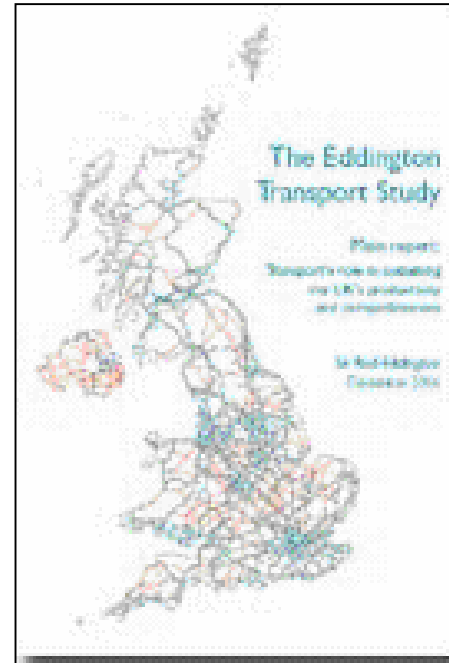
Robert Devereux, Permanent Secretary, Department for Transport UK

22 January 2008

Introduction:

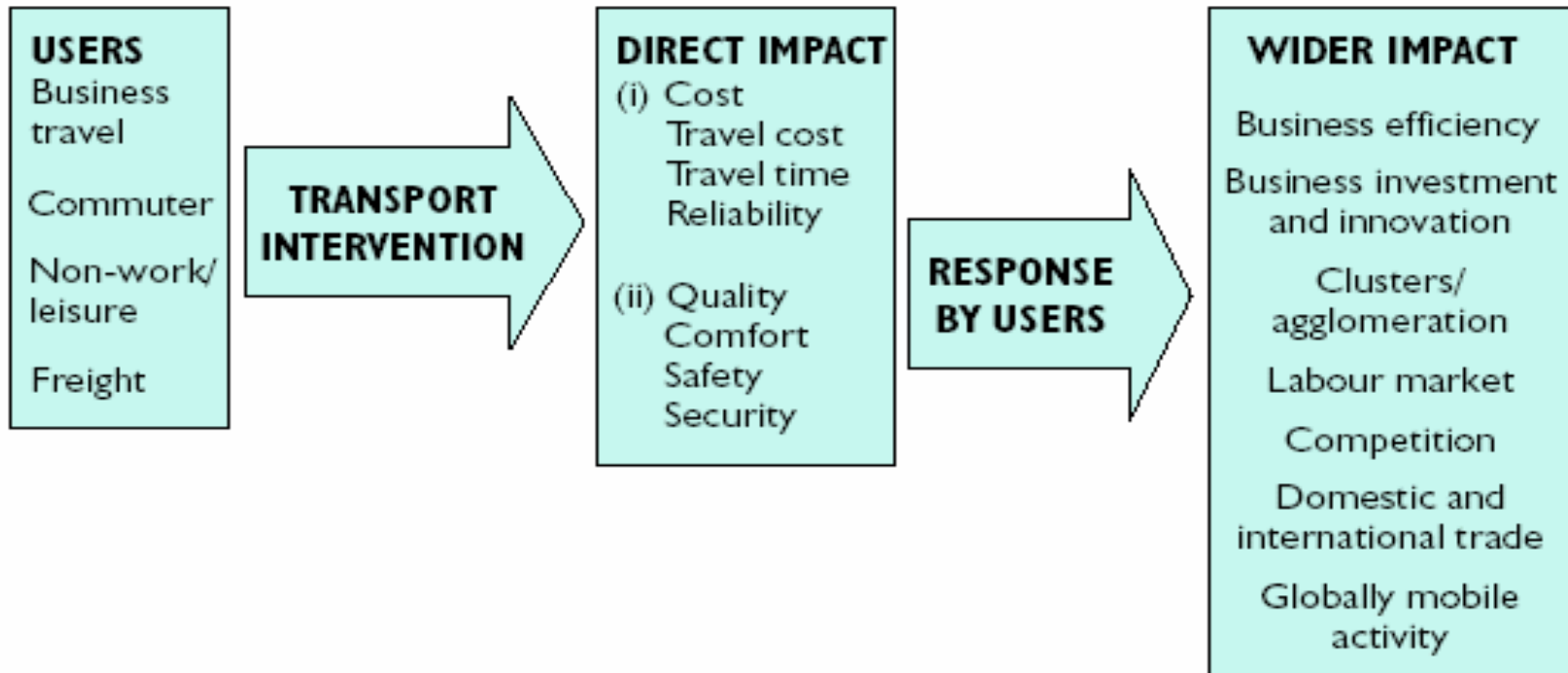
- What Eddington said
- What Stern said
- What this means for us
 - Changing decision making
 - Improving appraisal
- How this may affect the future
- Key reflections

The Eddington Transport Study



Published December 2006

A good transport system enables economic growth



Source: Eddington Study.

- But, **also** Transport impacts on social and environmental goals, which both, impact on both GDP and wider welfare

Problem Definition

- UK's problem is density of demand *not* distance between cities.

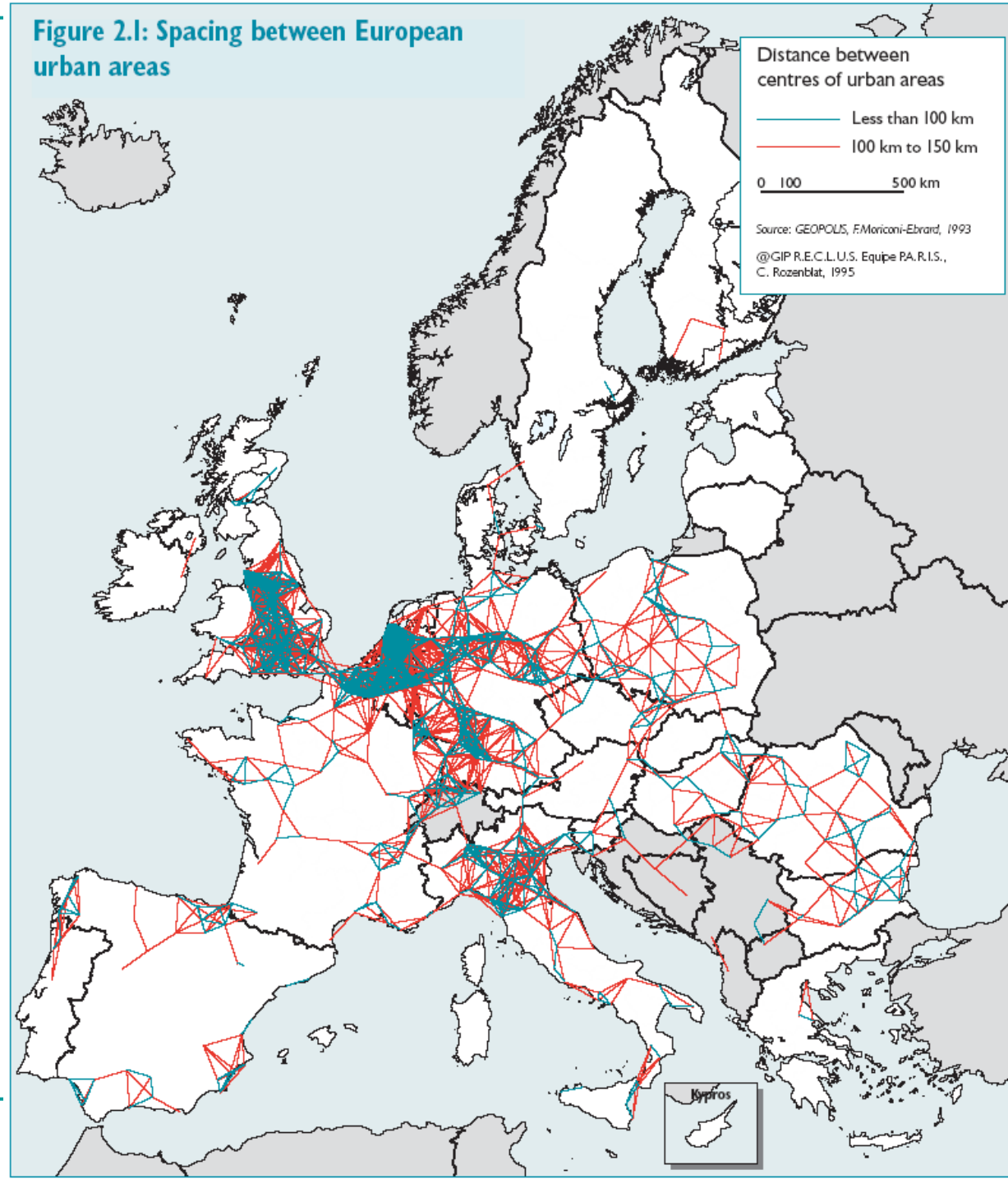
- Similar to Holland (Rod Eddington visited).

- About 2/3 of UK's towns and cities (> 100,000 population) connected to motorway and rail networks

- More of UK's urban population connected to road and rail network than major European competitors.

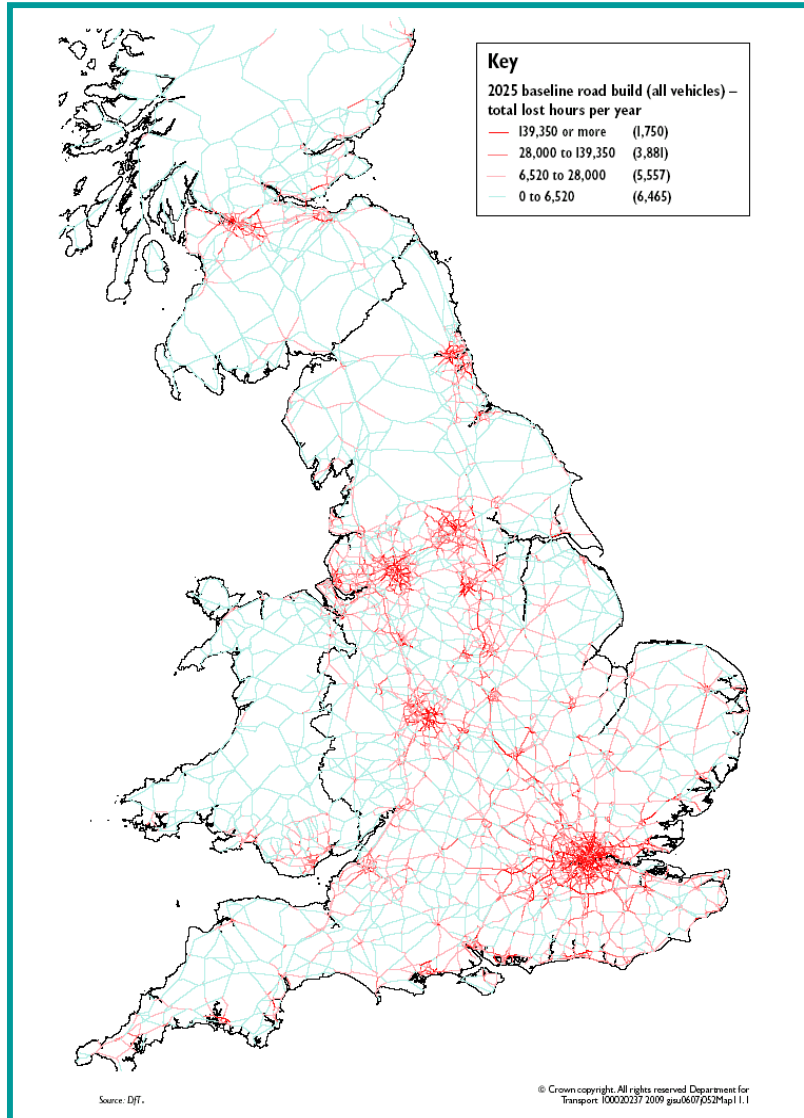
- Can usually get "there and back in a day".

Figure 2.1: Spacing between European urban areas



The Problem is density of demand

Congestion on GB road network, 2025



Overcrowding on inter-city rail routes 2026



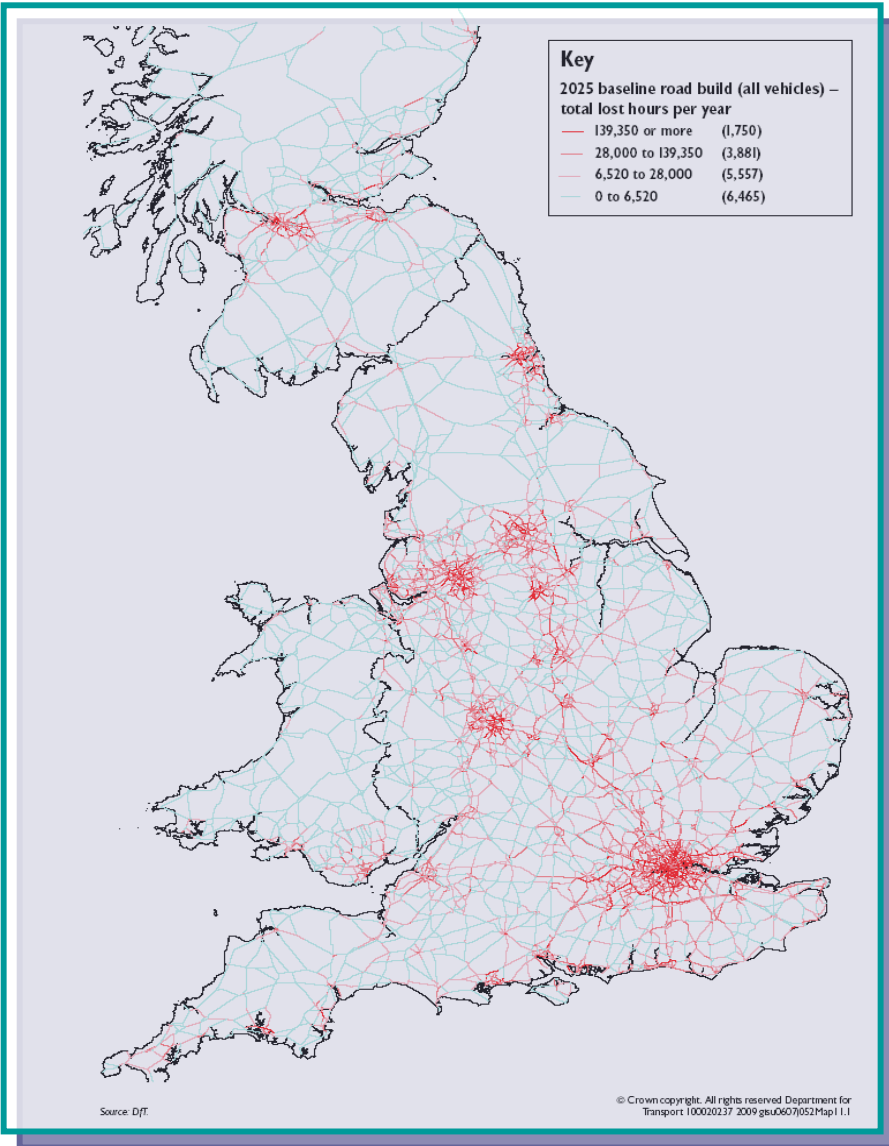
Therefore Eddington concluded...

- Improve performance, capacity and reliability **on the current network.**
- Focus on **key pinch points** which are harming the economy:
 - Growing and congested **urban areas**
 - The connecting **inter-urban links**
 - Key **international Gateways**

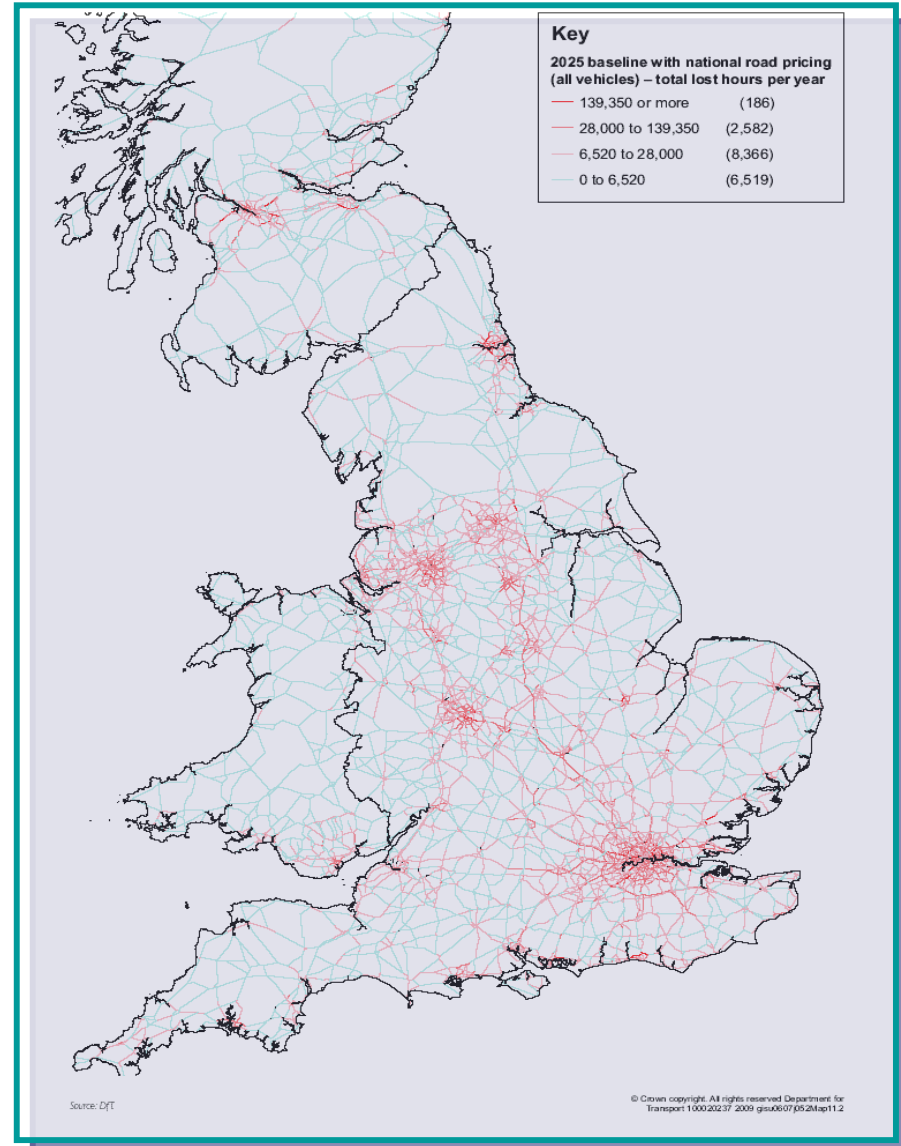
He suggested a policy mix

- Get the **prices right** – fundamental economic principle as well as critical for combating emissions
- Look at “**better use**” measures
- **Target** investment to improve existing infrastructure.
 - Small is beautiful

“Getting the prices right” offers a very real prize



Congestion patterns on the Great Britain road network in 2025, **no** road pricing



Congestion patterns on the Great Britain road network in 2025, **with** road pricing

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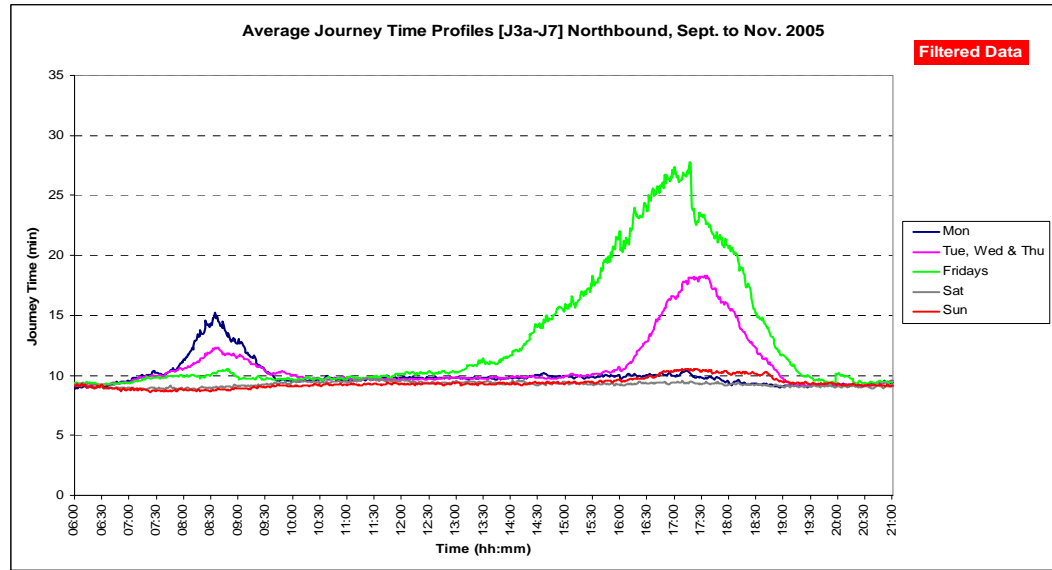
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Better Use

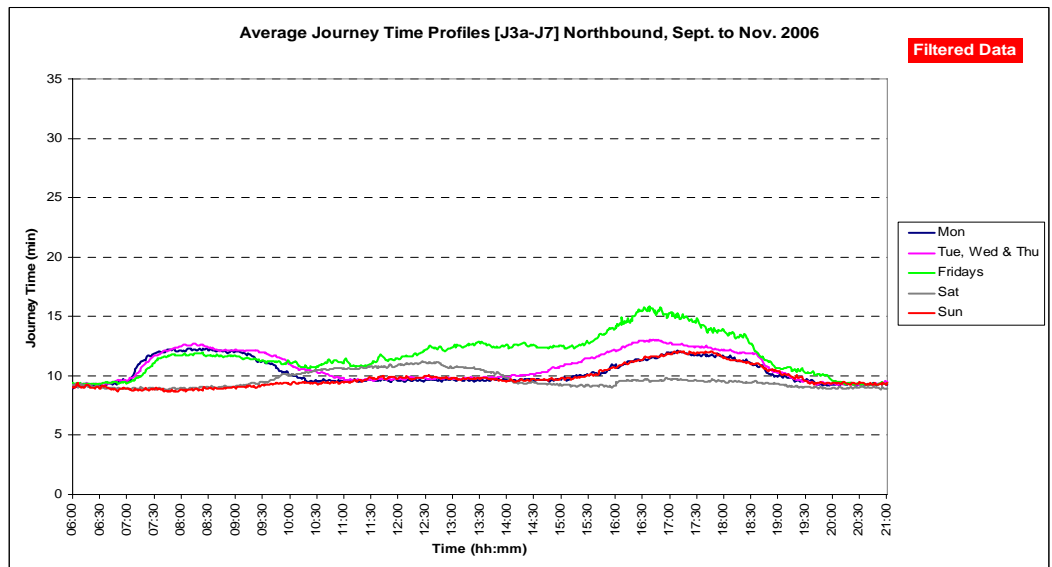
➤ Active Traffic Management (M42 pilot scheme)

➤ 4-lane Variable Speed Limits are working

Before...

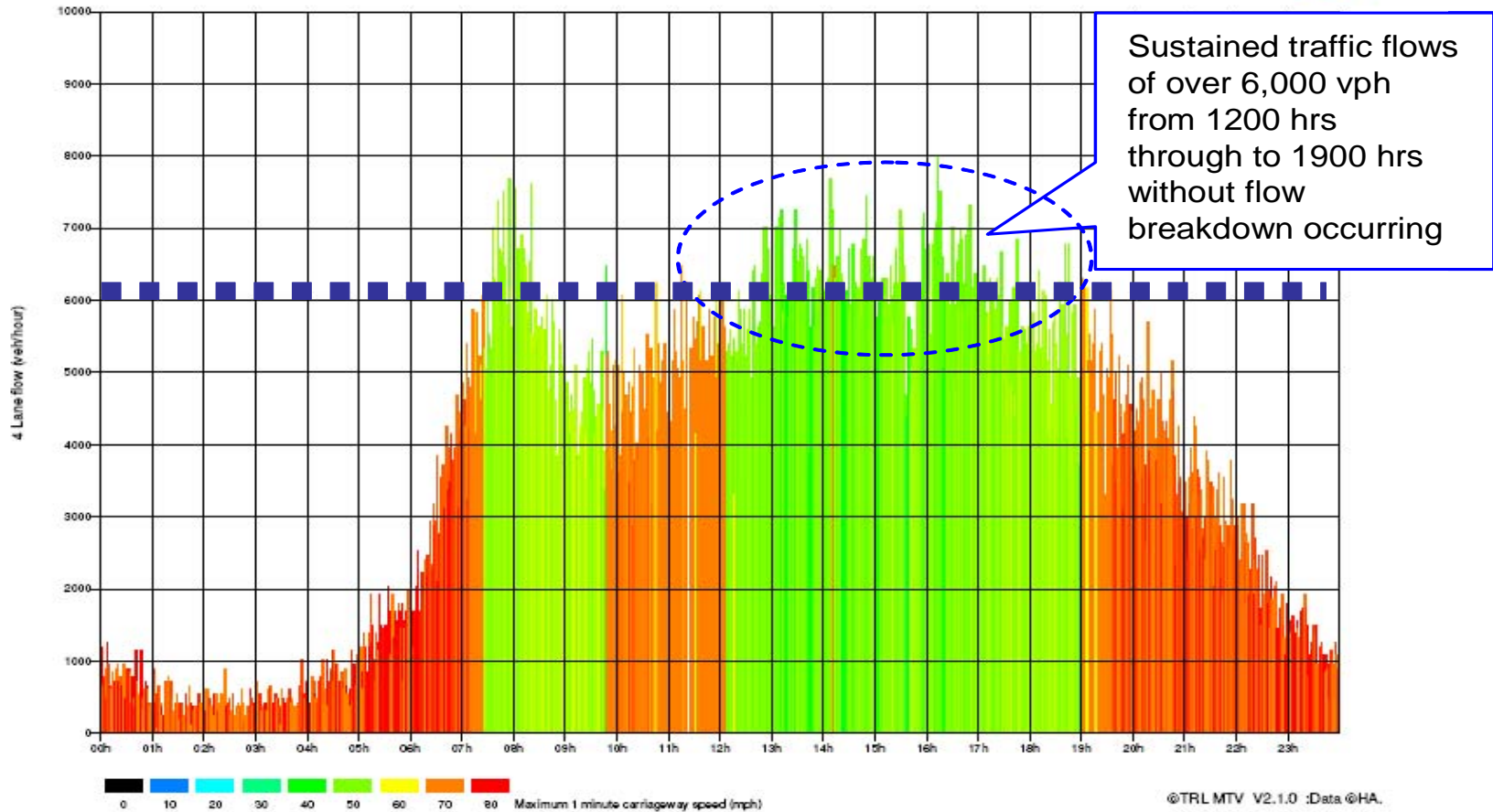


After



Better Use

M42 Northbound (A) site 6362A from 00:00 Friday 25-May-2007 to 23:59.
Total flows and maximum 1 minute speeds

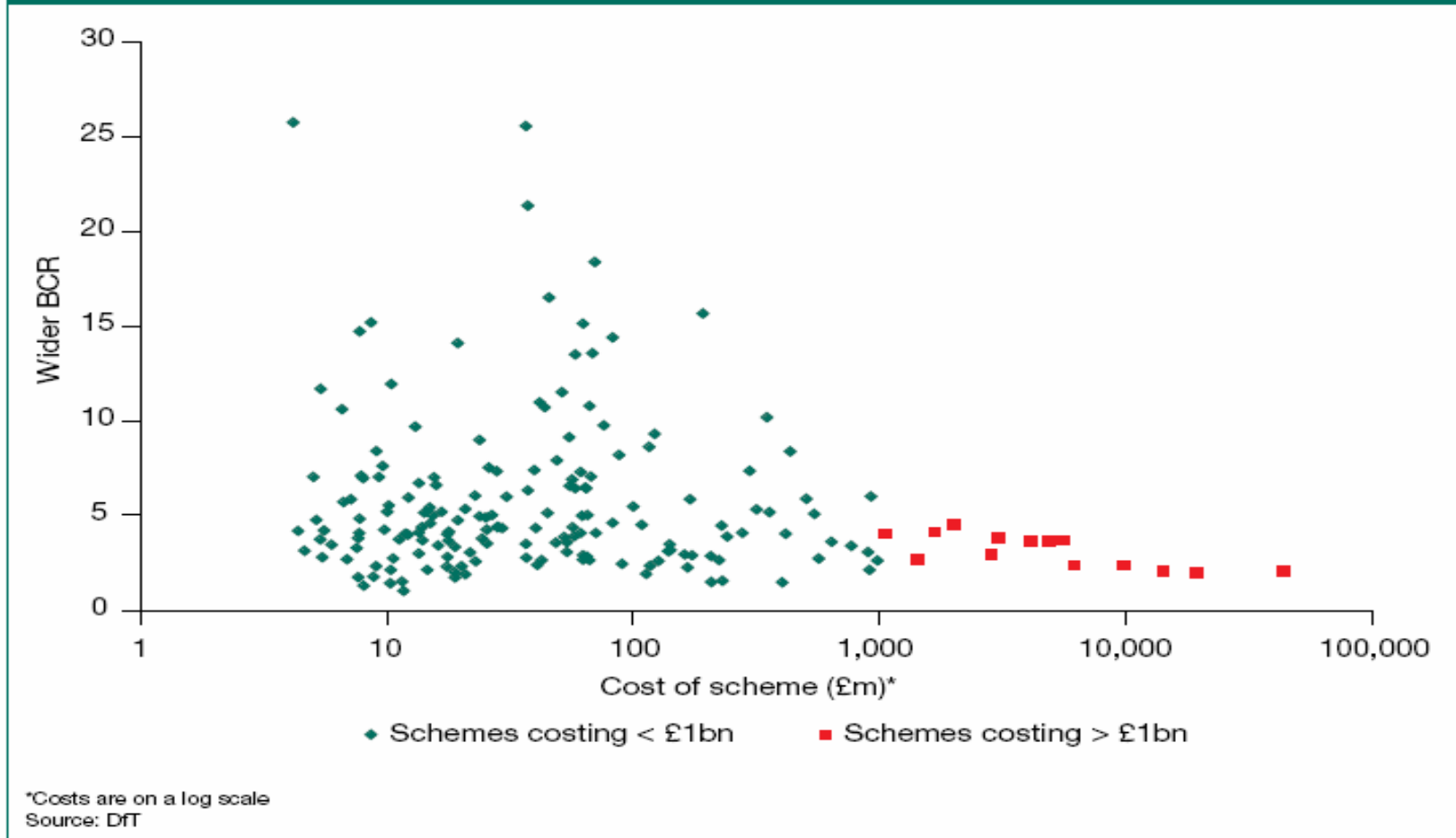


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Small is Beautiful

Figure 4.5: Economic returns of smaller schemes relative to larger schemes (greater than £1 billion)



And he made recommendations about delivery

■ **Planning:**

- Eddington said our planning system took too long, was too costly and too unpredictable.
- So, through the Planning Bill we intend to establish new National Planning Statements and a new Independent Planning Committee

■ **Local Governance:**

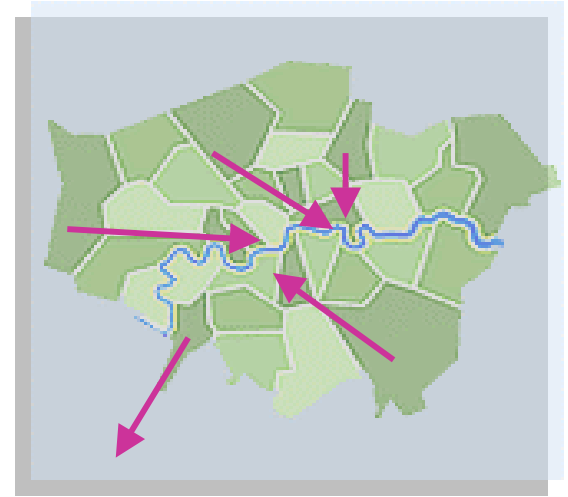
- Eddington said the current system was too complicated
- So, through the Local Transport Bill we are simplifying the local government structure *and* giving local authorities more power in bus regulation (another Eddington recommendation).

■ **Working with the Private Sector:**

- Continue to work with the Private Sector, maintaining adequate skills within the government to ensure efficient procurement and delivery
- Identify projects in advance, ensuring transparency and certainty.
- Recognise and respond to changes in markets

But, the biggest Challenge was...

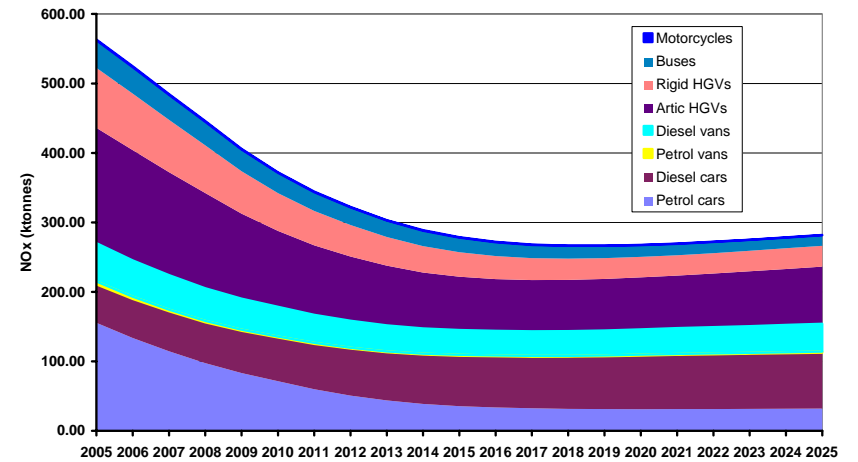
Problems v solutions...



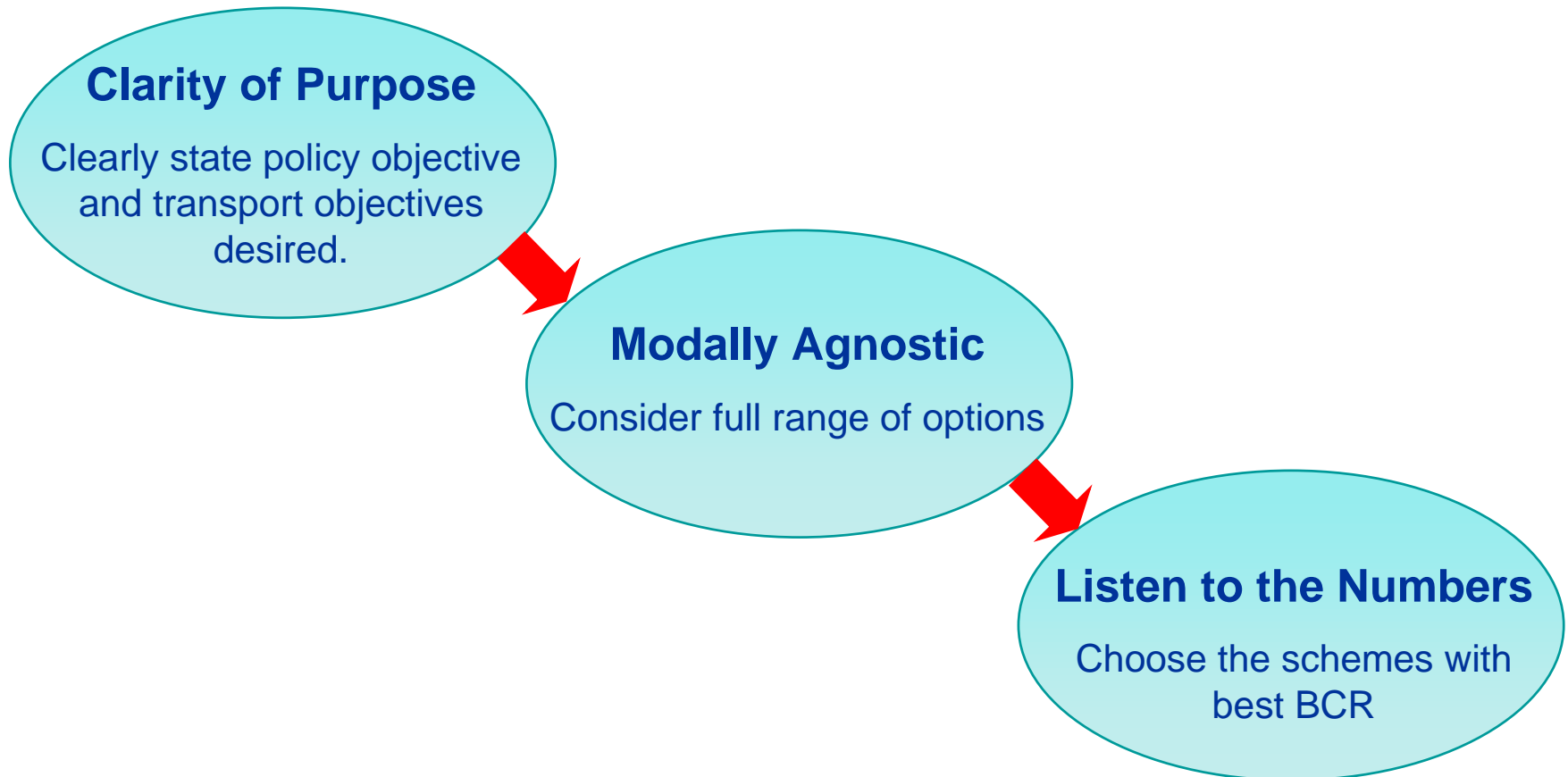
OR



UK National Road Transport NOx

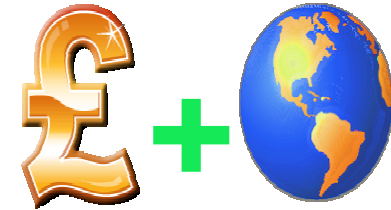


So, Eddington recommended changes to **Policy Making...**



Climate Change

You can be rich *AND* green



- Stern confirmed that acting on climate change is good economics
- Cost of action **now** is less than future cost of inaction
- At least 60% reduction in CO₂ by 2050 is only 1% GDP worldwide (but more for developed countries)...

...but only if you make the **smart** choices by:

- Getting the **prices right**
- Changing **behaviour**
- Improving **technology**
- **Collective Action** needed but developed countries must lead the way (EU Emissions Trading System)

What all this means for us

The Big Challenge – Changing Decision Making

First Step: Reorganise the Department



**Director-General
International
Networks**



**Director-General
National Networks**

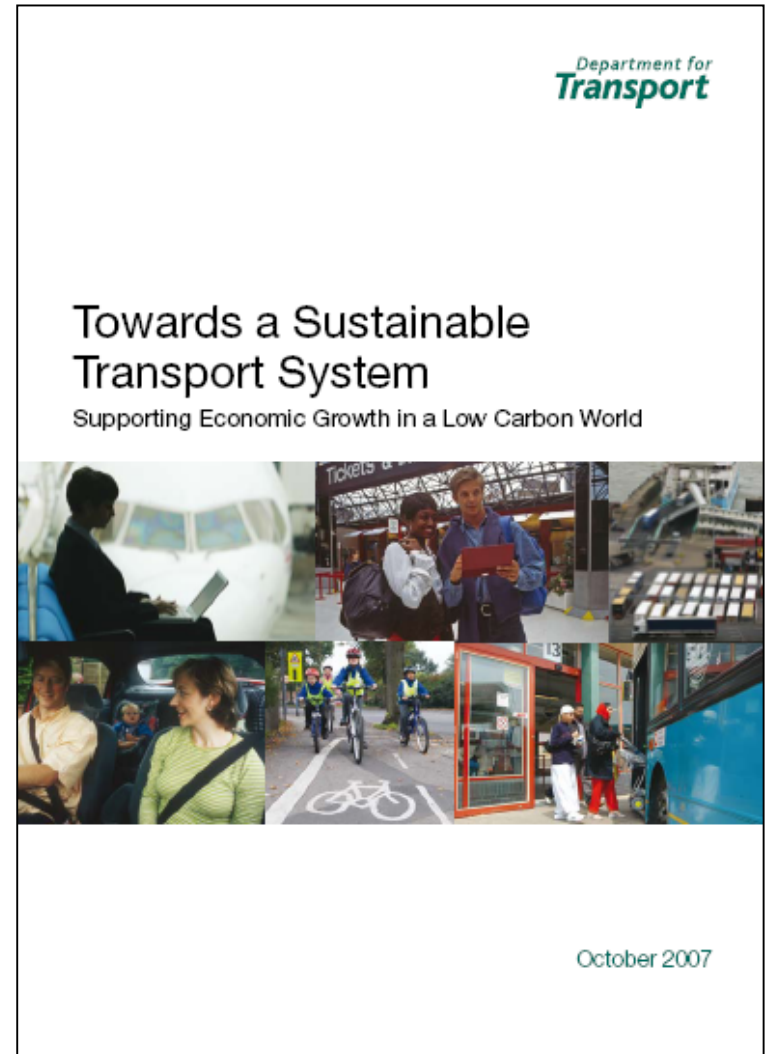
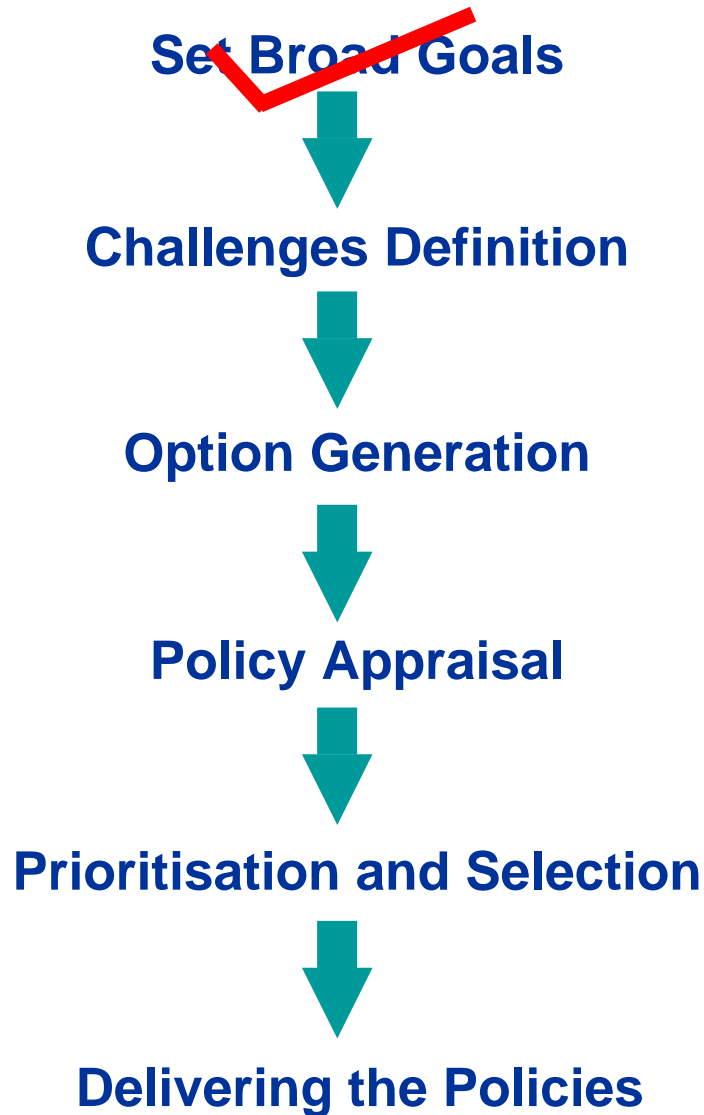


**Director-General
Urban, Regional and
Local Networks**

Second step: Let everyone know



Third Step: Towards a Sustainable Transport System: Supporting Economic Growth in a Low Carbon World



Challenges

Eddington

Stern

Other DfT priorities

Competitiveness & Productivity

Climate Change

Safety, Security and Health

Quality of Life

Equality of Opportunity

Cities and regional networks



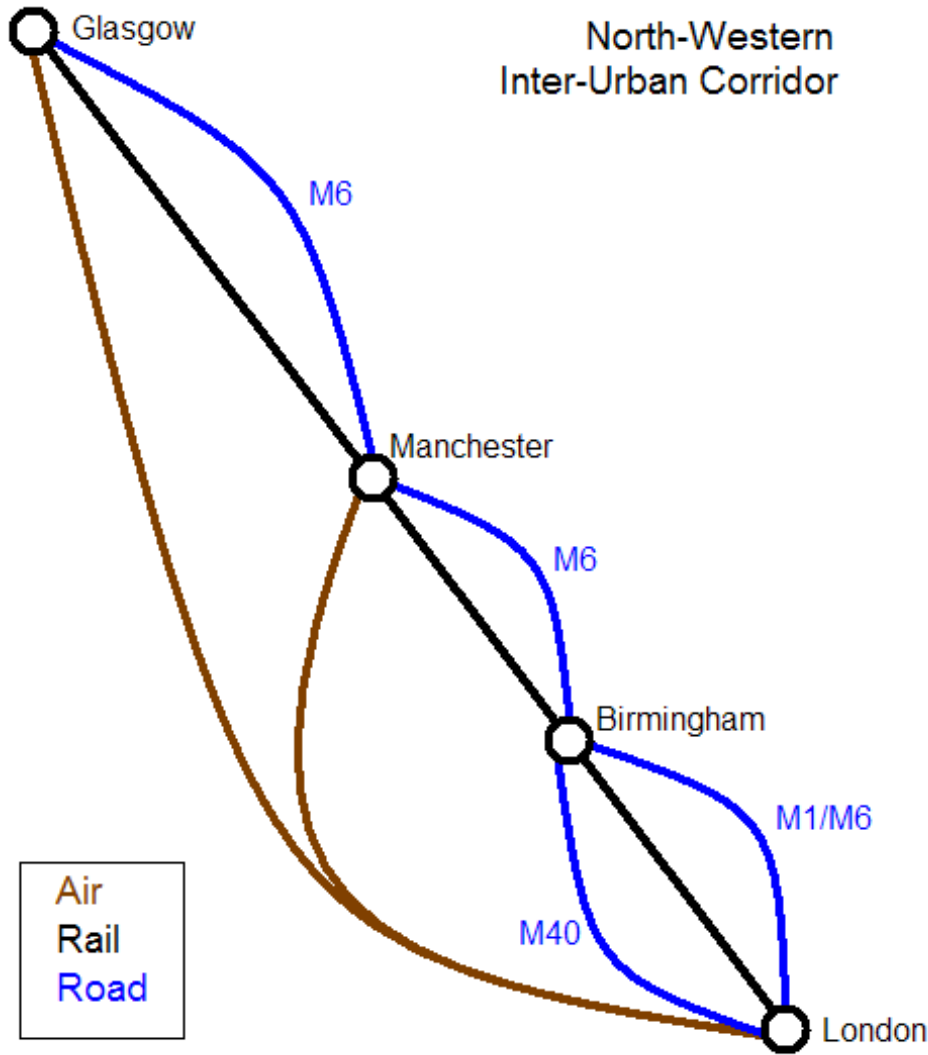
National Networks



International Networks



A new way of approaching our problems / challenges...



- User focus - *flows*
- End to end journeys
- Cross-modal approach to solutions

Fourth Step: Appraisal – “Listen to the numbers”

Stern and Eddington said that the DfT is very good at this but there are new challenges

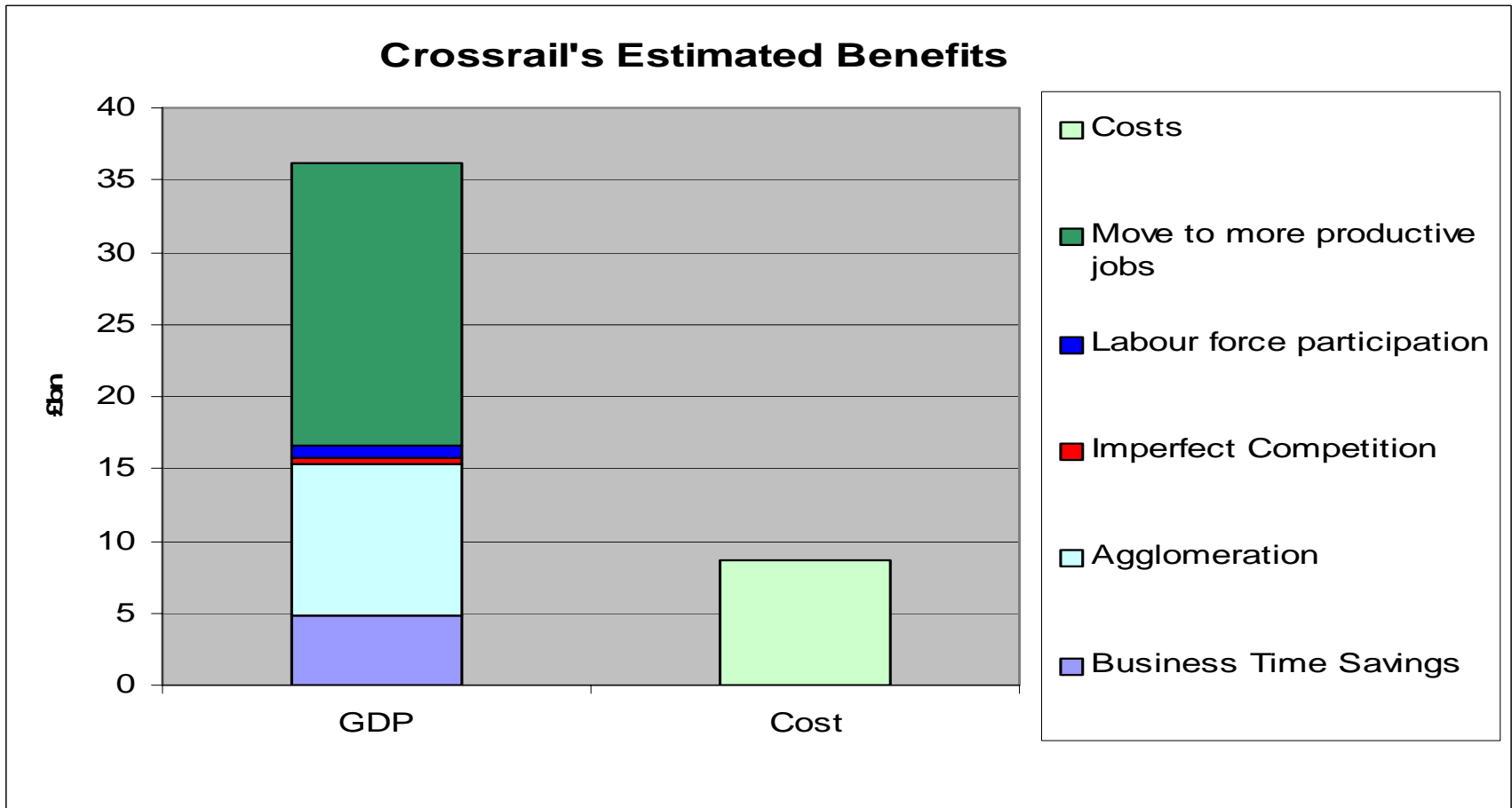
■ Improve

- Our existing appraisal of:
 - Reliability
 - Overcrowding
 - Environmental factors
 - Small schemes
 - Packages of schemes

■ Extra:

- Measuring indirect benefits such as:
 - Agglomeration
 - Labour Market
 - Competition
 - Global Trade

Crossrail – WEB Benefits



Key Reflections

- Transport matters for economic success...
- ...but also vital in reaching carbon reduction targets

- Key to achieving both is to adopt a rigorous policy making process:
 - Be clear of your Goals *before* deciding on the solutions
 - Bring forward a range of options, *with no prejudice*
 - Choose best interventions, *based on the numbers*

- “The Government has decided what its transport policy is for”
(*Moving On*, The Economist, 1st November 2007)