

Institutional Structures and Political Consensus for 21st Century Infrastructure

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Top down versus bottom up

- Top down governance
 - UK has never had a top down national plan for all of infrastructure
 - Partial plans for Rail, Motorways, Electricity Grid, Gas, all prior to privatisation
 - No regulatory requirement for master plan or coordination post privatisation
- Bottom up
 - NIP is a bottom up plan driven by a pipeline of disconnected projects
 - Work is in hand to look at interdependence of projects
 - This will highlight risks, opportunities and gaps.
 - It will not deliver a national strategy or purpose

Consensus

- Market instruments are not well designed to achieve consensus – they are all about competition and financial efficiency
- Simplistic siloed treatment and regulation of the value of utilities as a public good dilutes treatment of environmental, adaptability, resilience, liveability as contributing factors – resulting in perverse outcomes, indecision, service degradation
- However, synthesis is complex, stochastic in outcomes and hence has been politically unacceptable – but so is siloed treatment!

Assessment of effectiveness

- How would 'you' assess consensus to have been effective.....what are the metrics
- Who is 'you' – is that a politically impartial body that is steward of the consensus making process – or is it the media..or professional advisers.....
- Who is steward of resultant resource allocation decisions and operations – is this the same body or another one – or is it current departments or agencies.
- Who is the 'they' when we say 'they' should fix it when things go wrong

Proposition

- No proposed governance solution will be optimum for all
- Does any governance proposition meet *sufficiently well* the vital interests of all stakeholders, such as
 - Public – it works and delivers the services we want
 - Government – we can afford it and the political risk is acceptable
 - Financiers – we can manage the financial risk and get a return
 - Operators – it is reliable and resilient and profitable
 - Regulators – it is safe, fair and environmentally acceptable

Provocation

- If consensus is essential how do 'we' arbitrate *effectively* between disparate vital interests?
- Is the value of a national agenda by consensus effectively nullified by localism and nimbyism?
- How important is city leadership in pathfinding new ways of delivering infrastructure?
- How acceptable would adaptable, consensus constrained policy making be in our current adversarial, competitive political ecosystems?
- If we had an Infrastructure Commission, we would need an Infrastructure Research Base as well to inform its policies and the implications of its operations. Can we afford it or afford not to have it?

