How to be a minister
Making decisions on infrastructure

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About this report

In this report we set out how ministers responsible for infrastructure policy can help to deliver high-quality infrastructure for the country by making better decisions.

Our report builds on the Institute for Government’s 2017 research on the UK Government’s infrastructure decision making. We also draw insights both from our Ministers Reflect project, a unique archive of more than 80 interviews with former government ministers, which records – in ministers’ own words – what it takes to be an effective minister, and from a public event held at the Institute for Government: ‘How to be a minister: making decisions on infrastructure’.

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Government ministers have to fulfil many different roles: policy maker, departmental manager, overseer of arm’s-length bodies, decision maker in Cabinet or Cabinet committees, parliamentarian, government representative to the media and broader public, and MP. Ministers with responsibility for infrastructure – of whom there are 26 scattered across eight government departments (see Figure 1) – can add to this list some degree of responsibility for major projects.

This report focuses on economic infrastructure – energy, transport, water, utilities and digital communication – where relevant ministers may oversee the building of better roads, railways, flood barriers, broadband and electricity networks for the country.

Well-planned economic infrastructure will help to tackle many of the key challenges facing the country, such as stagnant productivity, regional inequalities and post-Brexit competitiveness. Poor decision making can lead to ‘white elephant’ projects that waste public money and fail to deliver economic benefits.

The way ministers make decisions matters

There is currently no national strategy for infrastructure. This makes meeting these challenges more difficult and poor decisions more likely. The Institute for Government has recommended that in response to the National Infrastructure Commission’s first National Infrastructure Assessment¹ – which makes recommendations on digital, low carbon energy, transport, funding devolution, reducing the risks of droughts and flooding, economic appraisal, funding and finance – the Government should develop a National Infrastructure Strategy.² This would help ministers choose between, prioritise and sequence particular projects and policies, increase the consistency of decisions across departments and bring greater rigour to the decision making process. In the absence of a national strategy, ministers will have to work a lot harder to do this individually. This will involve being clear about strategic – that is, political – objectives, such as rebalancing the economy, and weighing these against other factors, particularly the economic case for projects.

Ministers are ultimately accountable for decisions and activity in their departments, good or bad.³ They should care about the quality of decision making on infrastructure for the benefit of the public as well as for their own careers.
This report identifies seven things that ministers can do to make better decisions on infrastructure and provide higher-quality infrastructure for the country.

1. **Understand the economic analysis that civil servants undertake.** Ministers require an understanding of the strengths and weaknesses of cost benefit analysis. They must critically assess the evidence presented to them and appreciate the uncertainties, risks and assumptions that underpin it.

2. **Weigh up the arguments for and against projects.** Ministers must consider the strategic, economic, commercial, financial and management cases for projects in a structured way, drawing on the guidance in *The Green Book.* Doing so will reduce the chances that ministers approve projects that are not useful or are too expensive.

3. **Choose the finance option that offers the best value for money.** Ministers must understand the advantages and disadvantages of different finance options, making decisions based on long-term value rather than short-term political considerations. They should take a sophisticated and critical view of the barriers to private investment, designing policies to address them.

4. **Diffuse local opposition by communicating early with the public.** Effective public engagement can improve the quality of infrastructure decision making and reduce expensive delays to projects that local opposition creates. Ministers should involve the public as early in the policy-making process as possible. They must also effectively communicate the range of possible outcomes to the public as this will give them the space to amend, delay or cancel projects, and avoid becoming locked into undeliverable targets.

5. **Co-ordinate policies and projects across government.** Ministers must ensure that their priorities and those of their colleagues do not conflict, and work together to achieve them. Co-ordination will help to maximise the impact of policies and projects, and allow the delivery of major projects to be sequenced so that critical resources, particularly skilled workers, are available when required. Major projects will need to be supported by the Treasury, Number 10, Parliament and the Cabinet if they are to be successful.

6. **Build cross-party support for the biggest decisions.** Cross-party support can bring the stability needed to deliver big projects, which take many years to sign off and build. It also facilitates the long-term planning necessary for high-quality infrastructure. Ministers should support the work of the National Infrastructure Commission (NIC) in undertaking this long-term planning.

7. **Focus on a limited number of priorities.** Focusing on a limited number of priority projects helps to manage the number of demands on ministers’ time, strengthens the political direction of the civil service and increases the likelihood of effectively overseeing the construction and operation of projects.

Taking these actions to improve the quality of decision making involves significant time and effort on the part of ministers. Being moved into another role too quickly can
undermine ministers’ best efforts to be effective, and therefore be harmful for successful policy making and implementation. The Prime Minister should resist the temptation to reshuffle ministers unnecessarily, thereby reducing ministerial turnover. This will allow ministers more time to establish effective ways of working, understand their briefs, build valuable relationships across government and with key stakeholders, and implement their policy initiatives.
Figure 1: Departments and ministers with infrastructure responsibilities, as of 10 July 2018

Note: BEIS = Department for Business, Energy and Industrial Strategy; CO = Cabinet Office; DCMS = Department for Digital, Culture, Media and Sport; Defra = Department for Environment, Food and Rural Affairs; DIT = Department for Transport; DIT = Department for International Trade; ERDF = European Regional Development Fund; EU = European Union; HMT = the Treasury; HS2 = High Speed 2; IPA = Infrastructure and Projects Authority; LEP = local enterprise partnership; MHCLG = Ministry of Housing, Communities and Local Government; NIC = National Infrastructure Commission; ORR = Office of Rail and Road; Ox/Cam = Oxford/Cambridge; Parl’y Under SoS = Parliamentary Under-Secretary of State; PFI = private finance initiative; PPP = public–private partnership.

Source: Institute for Government analysis
1 Understand the economic analysis that civil servants undertake

Economic analysis is one of the key ways that government can appraise potential infrastructure projects. For ministers, it offers a firm basis on which to compare competing projects, secure investment from the Treasury, prioritise within a department’s mix of projects and eventually support decisions on which infrastructure projects to go ahead with.

Economic analysis usually takes the form of a cost benefit analysis, which lays out the positive and negative impacts of a project to judge the net present value of a potential investment, that is, to what extent benefits outweigh costs, discounted over time. When this analysis is made publicly available, it means that the judgements that governments make about projects are more explicit, enabling greater oversight and higher-quality debate on infrastructure.

Civil servants undertake detailed analysis that covers direct economic impacts, as well as a monetised assessment of impacts on communities, the environment, health, safety and other areas. Ministers must understand this analysis so that they can critically assess it, and use it appropriately in their decisions and communications.

Ministers should appreciate the uncertainties, risks and assumptions that underpin the evidence presented to them. They should be aware that cost benefit analysis is more than a single, monetary figure: the analysis should produce a range of benefit-cost ratios that a project is likely to achieve, their relative likelihood, and a summary of impacts that cannot be monetised but should still be taken into consideration. This should be backed up by sensitivity and scenario analyses, which highlight the assumptions underpinning the results and what would happen if these assumptions changed. It should clearly outline the risks remaining and what steps need to be taken to manage them.

Having an understanding of what thorough economic analysis looks like allows ministers to assess the strength of the evidence and know when to ask civil servants to do more work on a certain area before a decision is made. Where uncertainties or risks seem too large to give a project full sign-off, this might include structuring projects in a way that allows testing and learning, potentially through a pilot, before major investments are made.

As a project gets under way, a better understanding of initial estimates will also allow ministers to differentiate between changes that fall within the reasonable range of
estimates in the analysis and a project that is veering too far off track, requiring ministerial intervention.

Ministers’ level of understanding will also inform the way they communicate decisions. If ministers do not understand the uncertainty in cost and time estimates, they can find themselves making inaccurate early announcements and then being locked into undeliverable targets (discussed in more detail in Chapter 4).
2 Weigh up the arguments for and against projects

Economic analysis is not the only consideration in making decisions. For infrastructure projects, ministers should also consider the other four elements that make up a case for a project: the strategic, commercial, financial and management cases. All of these considerations should be subject to adequate scrutiny and considered in a structured way. This is particularly important for strategic – that is, political – imperatives. Ministers may reasonably have objectives – for example choosing to invest in a particular region of the UK – that cannot be justified on purely economic grounds. However, such objectives must be clear, effectively communicated to the public and weighed against the other cases in a transparent and defensible way. If ministers properly consider the full extent of arguments for and against projects, they will reduce the chance of approving ‘white elephant’ projects.

New ministers may be grappling with a completely new policy area and be unfamiliar with the types of evidence used to support infrastructure decision making.

“[…] it’s only really after two years, particularly as a junior minister, that you know enough to be fully effective and to challenge the civil servants and ask the questions that need to be asked.”
Ben Bradshaw, Minister for Local Environment, Marine and Animal Welfare, Defra, 2003–07*

To weigh up the arguments for and against projects effectively, new ministers should make use of the expertise in their own departments, the Treasury and the Infrastructure and Projects Authority (IPA). They should familiarise themselves with Treasury guidance, particularly The Green Book – guidance on appraising project or policy proposals before public funds are committed. The Treasury’s ‘Checklist for assessment of business cases’ highlights important areas on which to question the evidence that civil servants present. Ministers can also work with the various professional bodies for project management to develop checklists for assessing economic analysis and managing major projects.

The biggest projects in government now have to go through a process of scrutiny by public and private sector experts in the Major Project Review Group. Where this is not a formalised part of the approval process, ministers should seek scrutiny from outside Whitehall as a means of testing their assumptions and estimates, with a view to

adjusting plans where necessary. This should help to improve the strength of evidence and improve decision making.

In his various ministerial roles in the Treasury, Stephen Timms along with his colleagues used members of industry and external experts to stress-test proposals. Going back and forth between departmental experts and these stakeholders helped to develop better policies, and built relationships that were subsequently helpful when implementing the policies.

“We talked to lots of people, we talked to all the stakeholders who explained to us why what was being proposed was impossible. Then we aimed to come up with variations in the policy or modifications of one sort or another.”
Stephen Timms, Chief Secretary to the Treasury, 2006–07

Ministers must also be open to civil servants questioning the rationale for the decisions they make, and asking how they have weighed up different arguments. Many ministers use their own civil servants and special advisers to play a “devil’s advocate” role. Gregory Barker recalled that it was a junior official who spotted a small miscalculation in the budget for the Renewable Heat Incentive scheme that would have led to disaster:

“I very quickly got to know that... you had your senior officials that you trusted and wanted their attention on your project, but also listen to some of the junior people around the table because often they are the brightest eyes and ears.”
Gregory Barker, Minister of State for Energy and Climate Change, 2010–14

Ministers may be cautious about inviting challenge from civil servants when they are also trying to establish their authority in a new department. They may also be concerned about opening up to outsiders and the possibility of public criticism, especially when they are not even sure they will go ahead with something.

But all these groups can help to ensure that a full range of arguments for and against a project is taken into account. Involving people with diverse perspectives in the decision-making process can help to overcome a minister’s own biases and those of senior leaders in the department – optimism bias is very prevalent in infrastructure decision making and academics have found it to be a common cause of project failure.

When making public announcements, ministers should outline a clear narrative for their decisions, which sets out the balance of the evidence and how it supports their decision. It is ministers, not civil servants, who have the platform, relationships and skills to communicate with the public. Robert Neill saw this as one of the main duties of ministers.
“You can’t stop making the argument for what you’re doing.”

If ministers have a good understanding of the evidence presented to them and have considered it fully, they should be able to explain to the public why they believe investing in a project is to the benefit of the country. Being able to clearly show that a decision is supported by strong evidence can also help to build cross-party support, discussed further in Chapter 6.
Choose the finance option that offers the best value for money

Just as they should weigh up the arguments for and against a project, ministers must also ensure that they understand the advantages and disadvantages of different finance options. They should make decisions based on which finance option offers the best long-term value, rather than on short-term political considerations.

Financing refers to how governments or private companies that own infrastructure find the money to meet the upfront costs of building it. There are broadly two options for financing public infrastructure: private or public finance. Historically, the private finance initiative (PFI) has been the most common type of private finance but it is not the only way to privately finance infrastructure and it has been used much less since 2010.

Which option offers the best long-term value will depend on the particular project and its timing.

In theory, public finance – that is, using money from taxation and public borrowing – is cheaper, because government can borrow more cheaply than the private sector. It also allows departments to maintain greater flexibility to adapt to demand or technology changes. By contrast, contracts with the private sector often introduce more certainty in return for lower financing costs.

They should make decisions based on which finance option offers the best long-term value, rather than on short-term political considerations.

However, privately financed projects may be less likely than publicly financed ones to overrun on time or costs, because investors are financially incentivised to keep a close eye on them. Appropriately structured private finance deals also have the political benefit of not adding to headline measures of public sector debt, although this does not necessarily mean that they offer better value to the public.

However, there is not yet enough evidence to assess whether these theoretical advantages and disadvantages are borne out in reality. The Public Accounts Committee and the Public Administration and Constitutional Affairs Committee have both recently raised concerns about the lack of data on the long-term value of PFIs. This makes a fair comparison of the long-term value of different financing options difficult. As a first port of call, ministers should make sure that their departments are systematically collecting and evaluating data on the performance of their publicly and privately financed projects and working with the IPA to increase the amount of evidence. They should then use this to assess which finance option offers the best value for each project.
If the evidence suggests that, for a particular project or programme, private finance is better value in the long run, and so ministers choose that option, they will then need to think further about how to get the best value from that finance. To do so, ministers should engage regularly with investors to understand the barriers to private investment. Given the Government’s current objective to increase private financing of infrastructure, this engagement is particularly important.

While civil servants engage regularly with the finance industry and usually have a good understanding of their perspective, this is not enough to guarantee well-designed policies. Ministers will make the ultimate decisions on policy so it helps if they also engage. Yet in our research, investors said that ministerial engagement had been superficial and infrequent. This increases the risk that policies will not address the real barriers to investment.

This is what happened with the pension fund pooling policy under the 2010–15 Coalition Government. A worthy way of broadening the investment options for UK pension funds, it was never likely to meet its ambition of significantly increasing the amount of private finance available for infrastructure. While various pension funds and insurers have made positive noises or small investments, there is no indication that investment will come close to George Osborne’s target of £20 billion by 2021. This is because the policy did not address the main barrier preventing pension funds from investing more in infrastructure.

Investors we interviewed were clear that the main hurdle was the relative risk and return of projects. The payback of a potential investment in a project is often not clear to investors because government has not adequately explained how the project will be funded, even if it has decided on a financing option. Investors cannot evaluate how risky the investment is if they do not know who will pay for the project. Although the Government does publish a pipeline of upcoming projects, it does not include all the information that investors require to plan their investment strategy.

Ministers should consult with a balanced mix of established and emerging companies, and focus on a small set of issues, drawing on the principles we set out in Creating and Sustaining an Effective Strategic Dialogue with Business. If they establish good relationships with investors early on, and show that they have taken their views into account, this can prove useful down the line if they do finance projects.

“[G]overnment could do so much, but a lot of the people who do things, or implement them, are not yours. It helps to have already established good relationships with key figures so when problems do arise, you can speak to someone on the phone and not have to spend half the call saying who you are.”

Alistair Darling, Secretary of State for Transport, 2002–06; Chancellor, 2007–10

* In 2017, the Greater Manchester, Lancashire, London, Merseyside and West Yorkshire pooled pension fund, GLIL Infrastructure, financed new South Western trains and the Pensions Infrastructure Platform that George Osborne announced acquired a portfolio of existing public–private partnership projects worth £400 million.

** Funding is how you pay for infrastructure over its lifetime, not just the initial investment.
4 Diffuse local opposition by communicating early with the public

Infrastructure ministers should promote early and effective engagement with the public on infrastructure decisions as local opposition to projects can lead to delays and additional costs.¹

Asking the public for their views on infrastructure may be a frustrating experience. Infrastructure projects tend to have diffuse benefits shared by many people who will have little interest in or understanding of the details, even if it is generally in their interests for the project to go ahead. Conversely, infrastructure projects often have localised costs, with a small number of people bearing the brunt of a project’s negative consequences.² Such groups can be extremely vocal and politically active. Ministers can be wary of generating bad press if they end up doing something counter to the results of a government consultation or contrary to what the people they have met have asked for.

The solution to this is not to bypass consultations and other opportunities for public input,³ but to improve the way government engages with the public.

Opposition to infrastructure projects is often generated when communities feel that government has not explored any real alternative to their preferred policy. To avoid this situation, ministers should engage early with the public to inform their choice of policy, and then continue to interact with key constituencies as that policy evolves and it becomes clearer how specific groups will be affected. This engagement should acknowledge that some members of the public will still have reason to be unhappy with the project, but emphasise why the project is in the national interest and how local concerns will be addressed.

To enable more effective public engagement, ministers should support the establishment of a Commission for Public Engagement on a similar model to the French Commission Nationale du Débat Public (CNDP). The CNDP facilitates public engagement in the decision-making processes of major infrastructure projects, providing support to interested parties and summarising their views in a report that project sponsors must respond to.⁴ A Commission for Public Engagement would give local communities a real say on projects that affect them and provide the Government with the legitimacy to bring important projects forward more quickly, with fewer risks of legal challenges and expensive delays.
Former Minister of State for Transport, Baroness Kramer, felt that the Department for Transport does not do enough to support civil servants to develop the skills for public engagement, especially for those involved in delivery who are often the people who come into direct contact with the public. Infrastructure ministers should make it clear to their departments that they value public engagement skills, and support investment in them.

Ministers should also be careful about how they communicate with the public. As noted in Chapter 1, making early project announcements, which are more likely to be inaccurate, can lock ministers into undeliverable targets. It can be tempting for ministers to make promises on ambitious delivery timetables or low costs, based on falsely precise early forecasts. But when these targets are missed, they provide an easy focus for opposition in the public and Parliament. And it is ministers who will be blamed when things do not go to plan, and who will be held accountable in Parliament. Being honest from the beginning about uncertainties, risks and the range of possible outcomes creates the political space for ministers to make amendments or cancellations at a later stage.

Being willing and able to delay and amend projects often means that the ones that do go ahead will be more successful. Taking the decision to cancel projects stops public funds from being spent on schemes that are becoming too expensive or will not achieve their aims.

“[P]oliticians get beaten up for doing a U-turn when actually it makes perfect sense to do that. You know, here’s something that’s not working, let’s be honest, it’s not working. It’s costing the taxpayer a fortune, let’s face up to that and actually put ourselves on the right course.”

Caroline Spelman, Secretary of State for Environment, Food and Rural Affairs, 2010–12

The response from the public and politicians to pauses and eventual cancellations of the Great Western and other rail electrification projects shows the consequences of committing to projects early on without either understanding or making clear the uncertainties in the evidence and how things might change. Early cost estimates for rail electrification plans were very optimistic, and would have benefited from more challenge from ministers well versed in cost benefit analysis before the plans were announced. Network Rail repeatedly revised its cost estimates upwards between July 2012 and June 2015. By 2016, these had more than doubled to £2.8 billion. Yet ministers continued publicly to state their commitment to electrification, locking themselves and their successors into targets that were very unlikely to be achieved. This has reduced the credibility of ministers and damaged government relationships with regional government, mayors and industry.
As Tony Meggs, Chief Executive of the Infrastructure and Projects Authority (IPA), argues, specifics – whether dates or delivery methods – should be avoided in early announcements to allow time for proper analysis. Only as projects come closer to completion and there is less uncertainty, may it be appropriate to make more specific announcements.
Ministers must ensure that their priorities do not conflict with those of colleagues, and work with other ministers to co-ordinate and implement policies and projects.

**Making co-ordination a personal priority**

Whitehall is still characterised by departmental silos, despite various efforts to combat this. Co-ordination between departments will take a significant amount of personal effort when ministers have plenty of work to do inside their own departments. Ministers, especially ambitious junior ministers, may not see the personal benefit of taking time out to discuss others’ priorities. However, putting in this effort is crucial to the success of infrastructure projects.

Ministers must take a personal interest in co-ordinating with other departments, rather than just leaving it to civil servants. Ministers have pre-existing relationships across government through their party that civil servants do not. If they set the agenda for co-ordinating policies and projects across departments, civil servants can follow. Press offices should also be kept involved in cross-departmental working, as co-ordinating communications can help to maintain political momentum.

Co-ordination is not just the responsibility of Cabinet members: junior ministers also have an important role to play. Housing Minister, John Healey, was frustrated that there were no meetings on housing benefit scheduled between his department, the Department for Communities and Local Government and the Department for Work and Pensions. He reflected that if a minister wants to achieve their priorities, they need to personally “take charge”.

> “You can’t simply assume that the civil service system or the Cabinet sub-committee meetings, or somehow the discussion that may go on between secretaries of state, is going to do that for you.”
> 
> John Healey, Minister of State for Housing, 2009–10

In practice, co-ordinating policy across government takes different forms and will depend on the individuals involved. Some ministers use informal contact to keep other ministers abreast of their plans, which will be easier where relationships are already strong. Others schedule meetings at regular intervals with key ministers and senior civil servants.

Alistair Darling, for instance, said that he preferred to have informal conversations to co-ordinate matters with other ministers. He felt that there was not enough open
discussion in formal meetings, and little was actually agreed in them. But he did ensure that there was some record of what was agreed in conversations, to pass on to private offices who would do the follow-up work.

“[A]s in everything else in life, there is no substitute for sitting down over a cup of tea or a drink and discussing something. But you then need to have some formal proceedings to make it happen.”

Alistair Darling, Secretary of State for Transport, 2002–06

**Working with other infrastructure ministers**

Co-ordination will be necessary to implement an overarching infrastructure strategy, but it is also critical in the absence of one, since 26 different ministers are responsible for aspects of infrastructure policy (see Figure 1 in the Summary). Some of their portfolios are explicitly overlapping – for example, three ministers have responsibility for High Speed 2 (HS2) and four have responsibility for the Northern Powerhouse – while others are more broadly interdependent. These ministers must ensure that their priorities are aligned and that the delivery of priority projects is sequenced.

**Working with ministers responsible for other policies**

Many infrastructure ministers will also need to co-ordinate projects and policies beyond the set of ministers with explicit responsibility for infrastructure, since the wider benefits of an individual infrastructure project or policy will often be dependent on policies for which someone else is responsible.

For instance, the case for Hinkley Point C nuclear power station emphasised the creation of an estimated 25,000 jobs and 1,000 apprenticeships in Somerset. To ensure that this is delivered, the Minister for Energy and Clean Growth and the Minister for Business and Industry (who has responsibility for nuclear) in the Department for Business, Energy and Industrial Strategy (BEIS) will have to work closely with the Minister for Skills and Apprenticeships in the Department for Education. The creation of this many new jobs will in turn have an impact on transport and housing, so ministers in the relevant departments should also be aware of plans and timings.

In other cases, another department will have the expertise that will help to deliver a policy.

“[I]t struck me as really odd, for example, that the Department of Transport was in charge of getting wifi onto trains when all the expertise about doing that effectively rested in my department... there were huge opportunities for synergies which were lost.”

Ed Vaizey, Minister for Culture, Communications and Creative Industries, 2010–16

It is especially important that ministers co-ordinate on timing for the biggest and most technically difficult infrastructure projects simply because there is a limited pool of workers with the necessary skills to design and deliver them. Sequencing projects
properly makes certain that the expertise needed to undertake these projects will be available when required and projects can remain on schedule.

For instance, the UK has a limited amount of human capacity to undertake tunnelling projects. The skilled workers required will be needed in the coming years to construct Thames Tideway Tunnel, electricity cable tunnels, HS2 and potentially Crossrail 2 – an unprecedented amount of large-scale tunnelling for the UK. Knowing this, the Government and industry invested heavily in building tunnelling skills and used Crossrail to develop experience, which can now be used to deliver these future projects. It was and will continue to be vital that the ministers responsible for these projects in the Department for Environment, Food and Rural Affairs (Defra), BEIS and the Department for Transport jointly support investment in these skills and establish a clear sequence for their projects to make full use of them.

Working with Number 10 and the Treasury

For the biggest projects or changes in policy, the backing of Number 10 and the Treasury will be essential, even for experienced ministers. Michael Heseltine and Kenneth Clarke both noted priorities they were unable to achieve because of a lack of support from the centre of government. Support from the centre of government can help to encourage cross-government working. Knowing that the Prime Minister or the Chancellor is invested in the success of a policy can give extra leverage to ministers trying to convince others that working together and supporting each other’s priorities are important.

“[Cross-departmental working] has to happen both at ministerial level where the Prime Minister, the Chancellor, and the key ministers want the same objective and are trying to deliver it and make departments work across boundaries. And it has to happen at senior civil service level, mirroring that so that it’s followed through and the permanent secretaries know that playing the game of one department fighting another department, as usual, is not going to be something which is career enhancing but which is actually something which the Prime Minister will see as being a problem and will be a black mark.”

Chris Huhne, Secretary of State for Energy and Climate Change, 2010–12

Building support requires a personal touch. As with co-ordinating across government generally, strong personal relationships can be more important than the specifics of policies. Pre-existing relationships give the option to “cash in some of that political capital with a direct appeal to the Prime Minister” when needed, as Gregory Barker did on occasion during his time as Minister of State for Energy and Climate Change.

Many ministers have highlighted the importance of building up “trust” and “mutual respect” with the Treasury and Number 10 to pursue their own priorities. It will help if ministers can demonstrate that they have taken into account the priorities of the Prime Minister and the Chancellor in developing their own. Being honest when things
are going wrong also helps to build trust. As former Transport Secretary, Sir George Young, found in working with three different prime ministers, “the best thing to do is say, ‘Look, we got that one wrong’ – as long as you don’t say that too often”.14

Judicious use of special advisers and private secretaries can also help. Patricia Hewitt, while Secretary of State for Trade and Industry, made sure that an adviser to the Prime Minister and an adviser to the Chancellor were present at any political meetings in the Department for Trade and Industry where they were discussing significant reforms. In a department that often had tensions with the Treasury, Hewitt felt that this improved the relationship with central government. The Treasury and Number 10 knew what was coming and the department knew where they would be supported and where they should perhaps change course far enough in advance to do so.

“Our really understand what your Prime Minister wants and expects, and then stay very close to [the] Prime Minister or Number 10 and [the] Chancellor and his or her special advisers, because you’re going to need that to make things happen.”
Patricia Hewitt, Secretary of State for Trade and Industry, 2001–0515

Working with backbenchers
It is also worth taking the time to build support for priorities among backbench colleagues in Parliament. This is of course important in itself,16 but signs of support in the wider party for a particular policy or project can also help to bring other ministers and the Prime Minister round.
For the biggest decisions, ministers will need to work to build cross-party support in Parliament. This is not easy. Some of these decisions are inherently political and short-term political pressures can be overwhelming.

However, in our Ministers Reflect interviews, many former ministers felt that building a broad base of support was central to their biggest achievements and to having a long-term impact. Conversely, Ed Balls cited the fact that he could not build cross-party support for his education reforms as his greatest frustration in government. The reforms were dismantled when he left office.

“I think in the end, I suppose the only things which really matter, the only things that really last, that have long-term impact, are the things which become consensual.”
Ed Balls, Secretary of State for Children, Schools and Families, 2007–10

Building cross-party support is particularly important for infrastructure ministers because high-quality infrastructure requires a commitment to projects that take a long time to secure approval and build, and often have a lifetime of several decades. Different ministers, in different governments, will have to share a commitment to a project in order for it to be successfully implemented.

“And on the issue that most exercised people, which was HS2, the project was clearly going to have to survive many different administrations if it was going to be a successful project. So that means you’ve got to build cross-party consensus.”
Baroness Kramer, Minister of State for Transport, 2013–15

HS2 has already survived a number of administrations, and has many more to go. It was first formally proposed in 2010 under a Labour government and it was announced as government policy in 2012 under the Coalition Government. Patrick McLoughlin, Secretary of State for Transport, 2012–16, highlighted the importance of a group of Labour council leaders professing their support for HS2 in 2013 in shifting the project from an ‘if’ to a ‘when’. After three years of parliamentary scrutiny, the Bill that gave approval for the first stage of HS2 was eventually passed in the House of Commons in 2016 by a margin of 399 to 42, and received Royal Assent in 2017 under a Conservative government. On its current schedule, the first passengers will not travel on HS2 until 2026, and high-speed trains will not arrive in Leeds or Manchester until 2033.
The National Infrastructure Commission (NIC) was established to help develop the evidence and generate greater cross-party agreement on the country’s long-term infrastructure needs. It has made a positive start but the publication of its first National Infrastructure Assessment (NIA) is its first major test. If ministers are serious about building cross-party support for their policies, they should support the work of the NIC. Their response to the NIA is critical. Ministers should develop a cross-government National Infrastructure Strategy to implement the recommendations of the NIA. They should also work to increase the institutional strength of the NIC. This means putting it on a statutory basis as a non-departmental public body, as suggested in the 2013 Armitt Review. This has also been called for since.

“[T]he way you build resilience in policy is to have the good sense to build at least cross-party principles on which the policy grows.”
Tessa Jowell, Secretary of State for Culture, Media and Sport, 2001–07
Focus on a limited number of priorities

Ministers have limited time in office. The average tenure of ministers between 1997 and 2015 was only 21 months.\(^1\) Day-to-day duties will take up a significant amount of that time. Ministers have to manage a huge amount of daily paperwork, numerous meetings and frequent public appearances as well as spending time in Parliament and their constituencies.

Ministers usually have little or no time to prepare for the role and are expected to get on with things. As such, it can be hard to take time out to reflect on what they want their priorities to be. It can be even harder to deprioritise projects or policies, and to tell some civil servants that their work is no longer seen as important. There will be competing views in the department, government, Parliament and the media about where a minister’s focus should be. In this context, unless a politician is seeking to demonstrate a dramatic change in direction, it can be tempting to try to please everyone by carrying on with a predecessor’s priorities as well as picking up new ones.

But if a minister tries to do everything, they will be unlikely to have enough oversight of each policy or project to keep things on track. Even a small number of major, long-term building programmes can dominate the schedule of ministers responsible for infrastructure.

For ministers to get the most out of their spell in office, they must limit their focus to a few clearly defined priorities and carve out time for these. As Secretary of State for Culture, Media and Sport with responsibility for delivering the 2012 Olympic Games, Tessa Jowell recalled that she could focus on no more than three things as first-order priorities.\(^2\) Prioritisation can allow ministers to have a significant impact within a relatively short time and ensure that their policies have a life after their time in office ends.

“I had to be realistic about what I could do within a relatively short span of time and I decided on two strategies: first, if a project was going really well, and HS2 is a good example, I would work on it but limit my time... I then focused [on] the agendas that had been neglected where I could do something, and disability and smart ticketing were probably the most significant of those.”
Baroness Kramer, Minister of State for Transport, 2013–15\(^3\)

Clear priorities help a minister to get the most out of their department, by giving strong political direction to civil servants. A minister clearly articulating their priorities...
enables their diary manager and private office to focus their time on the things that are important to them, and ensures that senior civil servants know which areas to monitor and update them on. Clearly articulating priorities to their department can build motivation around a shared sense of purpose.

There is a short but critical window at the start of a minister’s tenure to establish these priorities. When they first enter a department, ministers should take time to get to know their new portfolio and have conversations inside and outside their department. They should also learn about the priorities of their predecessors and assess whether continuing with them still makes sense.

“[W]ithin that folder you get for incoming ministers, you need to distil that into some things that are really, really important, particularly if they are politically important like privatising the railways.”
George Young, Secretary of State for Transport, 1995–97

A minister’s individual priorities will need to fit within government’s overarching priorities (which should be articulated in a cross-government infrastructure strategy) and with any priorities that the Prime Minister or the Secretary of State has indicated. After a few months in office, ministers should have defined a clear and limited set of priorities and communicated these around their department.

Good priorities can be targeted on easily defined outputs, such as delivering a major project like HS2. They could also be drawn more widely, for example focusing on regenerating certain areas. In either case, they should be defined in a way that will allow the minister to deprioritise some things. Improving productivity, for example, may be an overarching goal of the Government but it will not do much to help a minister to organise their time effectively.

In establishing priorities, ministers should think about how they will measure their success in achieving them, and how they will monitor whether progress is being made towards them. Nick Boles noted how, as Secretary of State for Communities and Local Government, Eric Pickles was particularly good at monitoring progress. He used huge Gantt charts to do this, with each minister giving updates on their area: “literally, specific tasks, timetables, what’s happened here, what’s going on here”. Every minister and civil servant in those weekly meetings knew that they had to come prepared with an explanation if they were not on track, and so had to monitor progress themselves.

Avoiding the temptation to do too much does not guarantee that priorities will be delivered successfully. But it is a necessary step for infrastructure ministers to take if they want to make an impact.

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* Gantt charts show the amount of work done over a certain period of time against the amount planned for that period.
8 Conclusion

Strong political leadership is required if infrastructure is to successfully address the important economic challenges facing the country. In this report we have presented seven ways in which this leadership can be more effective. But even where ministers follow our advice, their work (and that of their departments) can be undermined if they are moved rapidly to other roles. Figure 2 shows that there are high levels of ministerial turnover across departments; this has had a harmful impact on both policy and governance.¹

Figure 2: When ministers with infrastructure responsibilities were appointed to their current post, as of 10 July 2018

High levels of ‘churn’ are problematic for all government ministers but particularly for those with responsibility for infrastructure. These ministers are often responsible for projects with an especially long lead time and lifetime, where stability is important. They are also very reliant on relationships outside Whitehall, because a lot of infrastructure spending and operation is managed through local authorities and other public bodies, subnational bodies or private companies.² Churn weakens the relationships between central government and these other bodies, with new ministers having to build their own relationships afresh.

Greater stability is essential to improving infrastructure decision making and delivering higher-quality infrastructure. The Prime Minister should prioritise stability and resist the temptation to reshuffle ministers responsible for infrastructure unless absolutely necessary.
References

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Chapter 2: Weigh up the arguments for and against projects


Chapter 3: Choose the finance option that offers the best value for money


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Chapter 4: Diffuse local opposition by communicating early with the public


4 Ibid., p. 35.


Chapter 5: Co-ordinate policies and projects across government


Chapter 6: Build cross-party support for the biggest decisions


Chapter 7: Focus on a limited number of priorities

1 Analysis of the Institute for Government’s political people database.


Chapter 8: Conclusion


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