

# concept

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DECISION MAKERS, DOERS AND ADVISORS  
– JOINING FORCES TO ENHANCE UTILITY OF INVESTMENTS

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National Audit Office

# The conspiracy of optimism

Tim Banfield  
Director, United Kingdom  
National Audit Office  
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## My presentation will cover:

- Why “optimism” can be good;
- How “optimism” manifests itself;
- You can’t blame everything on “conspiracy”;
- Causes of the “conspiracy of optimism”.

# What is “The conspiracy of optimism”?

## “Optimism”

- "an inclination to put the most favourable construction upon actions and events or to anticipate the best possible outcome“ or .....
- “A song by the English alternative rock band Radiohead, the sixth track on their 2000 album Kid A.”

## • “Conspiracy”

- “Collaborative behaviour hidden from view” or .....
- “The debut album of East Coast hip hop group Junior M.A.F.I.A.. Upon its 1995 release, it garnered much attention and gained even more hype when single "Get Money" was released.”

Sources: OED and Wikipedia

# Why optimism can be good

## Challenges include:

- Outcome delivery not procurement;
- Long timescales and short patience spans;
- Technology evolution and/or revolution;
- Uncertainty ... needs and funding;
- Structure of government;
- Mutual dependence:
  - on individual capabilities;
  - across multiple projects;
- Changing commercial partner dynamics.

## Success will require more than traditional project management:

- Strategic thinking;
- Business planning;
- Change as the norm;
- Innovation;
- Leadership;
- Embracing other disciplines - psychology, chaos, social sciences, whole systems;
- Ethics.

# How “optimism” manifests itself

# Under-estimating time and cost: The National Offender Management information System (NOMS)

- **Planning was overly optimistic in terms of both costs and timescales.**
- **Estimated lifetime costs have risen by £474 million in just 3 years.**
- **Poor oversight and relationships with suppliers led to a doubling in programme costs, a three year delay in programme roll-out and reductions in scope and benefits.**



# Thinking the best in planning: Regenerating the English regions - RDA's support to physical regeneration projects.

- **The programme will take twice the original ten year timescale to achieve the aims in full.**
- **No interim milestones were set during the programme.**
- **Between December 1998 and July 2009 the expected costs of the Programme have increased by over 150 per cent.**





# Unrealistic assumptions: The Building Schools for the Future Programme - Renewing the secondary school estate

- **The Department and Partnership for Schools were overly optimistic in their assumptions of how quickly the first schools could be delivered, leading to unrealistic expectations.**
- **Delays in various areas meant the programme fell even further behind.**
- **There has been an increase in estimated total costs of 16 to 23 per cent.**



**You can't blame everything on  
"conspiracy"**

# Talking to end users: A5 Queue relocation

- Scheme was designed to provide a coordinated traffic management control system
- After initial public consultation, the Highways Agency modified the specification for the scheme;
- Modifications were not communicated effectively to local residents and local councils
- The Agency did not recognise the 'expectation gap', which is at the heart of residents' and local councils' dissatisfaction.



# Piloting solutions: The right to roam

- The Countryside Agency overspent by 88% implementing the programme;
- The Agency underestimated the work involved in determining what qualified as mountain, moor, heath and down, and how to map it.
- The Agency did not pilot test implementation or assess the risks of foregoing piloting

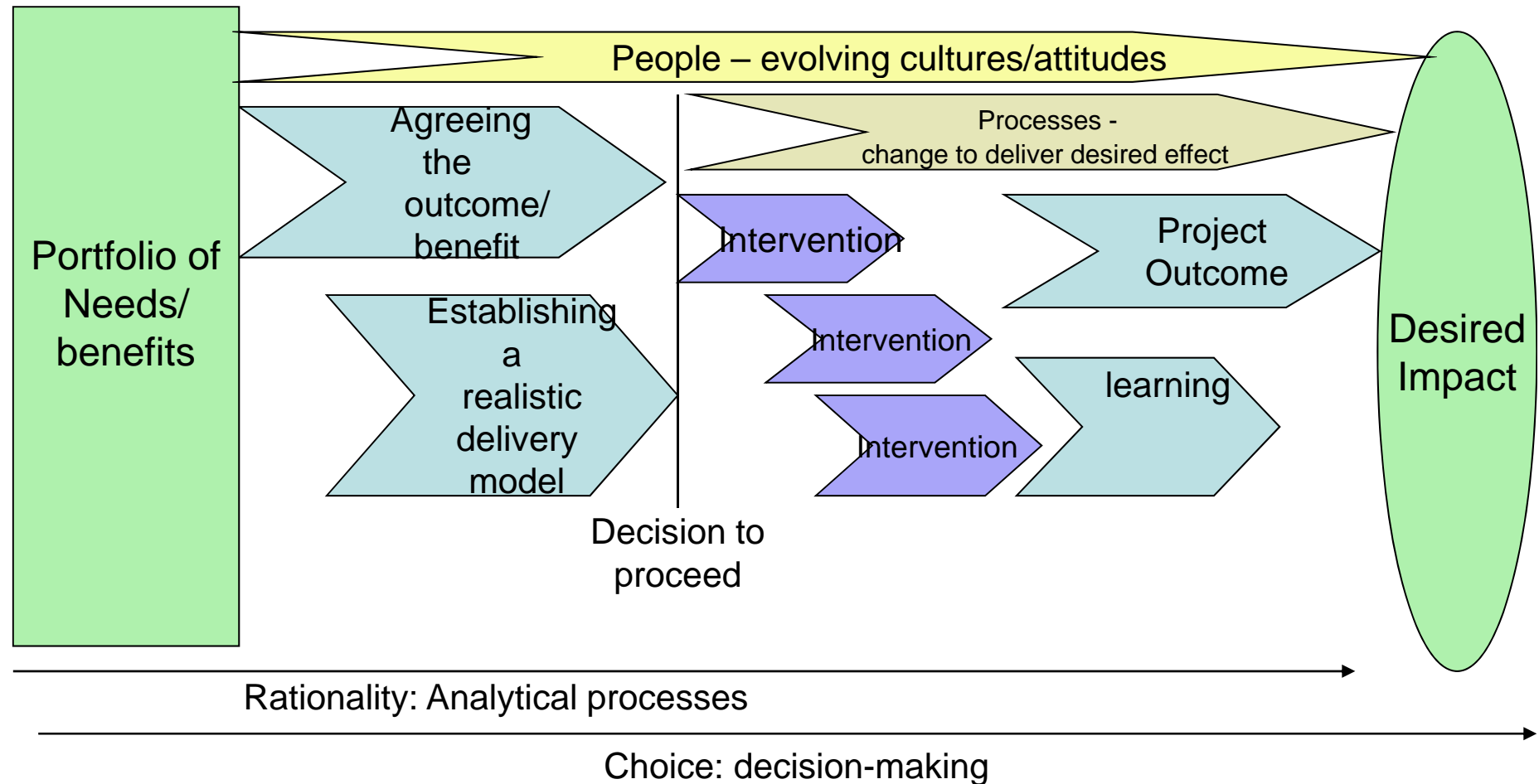


# Causes of the “conspiracy of optimism”.

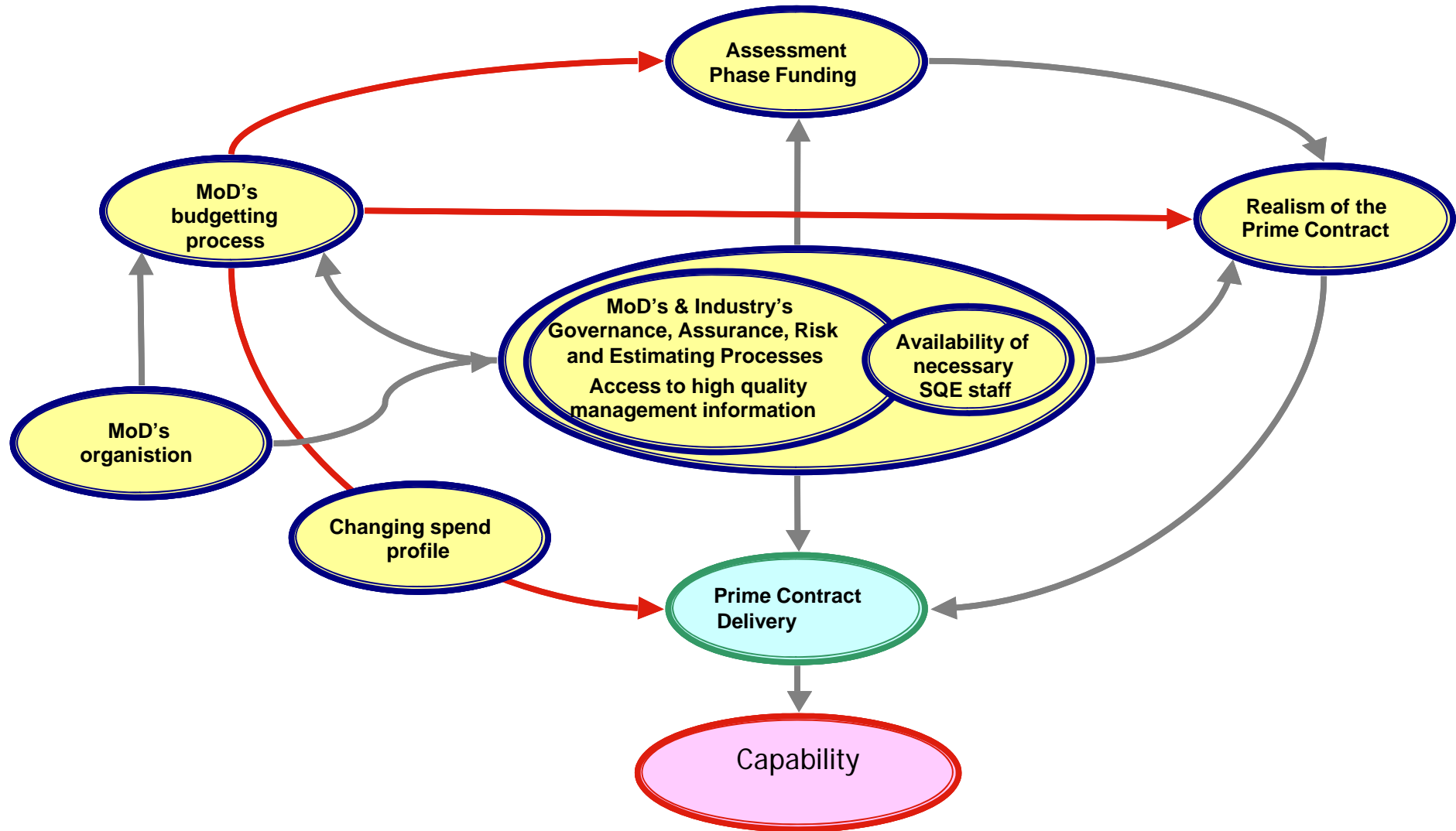
## Good value for money:

“is the optimal use of resources to achieve the intended outcomes”

# A dynamic system trying to function in a linear process



# Drivers of procurement performance





# The implications

# Good looks like bad



Helping the nation spend wisely

# The “least worst” solution becomes the best achievable



Helping the nation spend wisely

# Decisions are sub-optimal and not evidence based



Helping the nation spend wisely

# Tim Banfield

**Tel:** 020 7798 7662

**Fax:** 020 7798 7588

**E-mail:** [tim.banfield@nao.gsi.gov.uk](mailto:tim.banfield@nao.gsi.gov.uk)

**Website:** [www.nao.org.uk](http://www.nao.org.uk)