

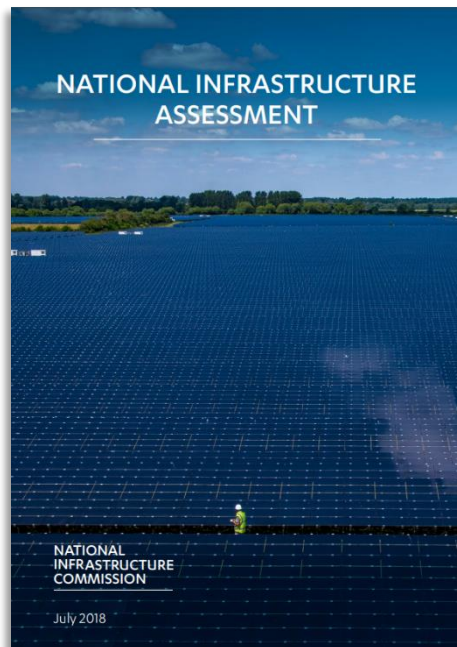
# Future of Infrastructure Appraisal

*James Richardson, Chief Economist*

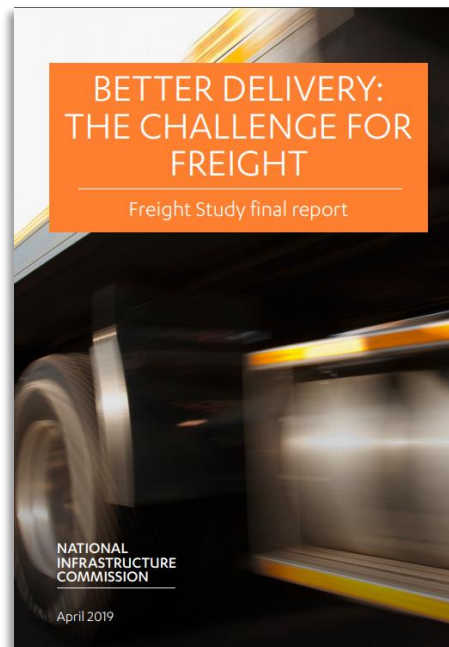
Society of Professional Economists, 9 Nov 2020

# UK's official, independent infrastructure advisors

The National Infrastructure Assessment



Studies on specific issues



Our Annual Monitoring Report

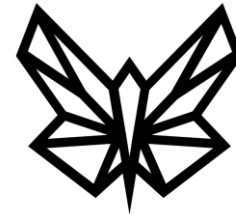


# Spatial infrastructure appraisal

Three pathways for infrastructure to affect spatial economics:

- Addressing constraints
- Contributing to transformation
- Universal provision

Each has own appraisal challenges



# 1: Addressing constraints to growth

- ‘Holding everything else equal’
- Usually strong market signals
- Broadly right answer to the right question



## 2: Contributing to transformation

- Tipping point problem
- If holding all else equal, you have the wrong policy
- Be wary of black box models
- ‘How does this intervention work?’



## 3: Universal provision

- Today: broadband, floods
- Electricity 1950s, water 1940s
- Strategic choice
- Cost effectiveness



# Risk appetite

- Balanced portfolio
- Need to understand intervention logic
- Pathways have very different risk profiles
- Status quo needs justification too



# Questions?