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## Terminal 5 chaos caused by big projectitis

Last Updated: 2:02am BST 30/03/2008

**The debacle at Heathrow's £4.3bn terminal is less revealing of British incompetence or even of BA boss Willie Walsh's management errors than of the flaws inherent in any large infrastructure project. Jonathan Russell reports**

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The debacle over the opening of Heathrow's Terminal 5 was not just a personal humiliation for British Airways chief executive Willie Walsh. The project has flown straight to the top of the charts in UK infrastructure's hall of infamy.

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Never mind that delivery of the £4.3bn building, the largest single-span structure in Europe, was on time and to budget; in the public eye it will always be associated with the chaos of cancelled flights and lost luggage.

The real architects of the building, Rogers Stirk Harbour and Partners, would no doubt argue that they fulfilled their part of the project. Heathrow's owner BAA could argue they did their job in delivering a working terminal last Thursday. What British Airways will be able to say once the dust has settled, apart from "sorry", is debatable.

But in many ways all this is immaterial. What the episode has exposed once again is the remarkable capacity for big infrastructure projects to go wrong.

According to a Danish leading academic, the technical challenges of project management are not where the problem really lies. The root cause of these development disasters can be found as much in psychology deficiencies as technical ones.

For Professor Bent Flyvbjerg of Aalborg University, the desire to get these projects off the ground creates "delusional optimism" which can fatally damage their chance of success.

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"In the grip of the planning fallacy, planners and project promoters make decisions based on delusional optimism rather than on a rational weighting of gains, losses, and probabilities," he explains.

"They overestimate benefits and underestimate costs. They involuntarily spin scenarios of success and overlook the potential for mistakes and miscalculations."

This disturbing picture of human folly is borne out by the inquiry into the construction of the Scottish parliament building, Holyrood. The report concluded that early estimates of construction costs, at just £40m, were never going to be enough to fund the construction of a building that ended up costing closer to £400m.

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Worryingly, this scenario is repeated again and again, and not just in the UK. Flyvbjerg's



The root cause of large scale project disasters can be found as much in psychology deficiencies as technical ones

Alex

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paper, published at the end of last year in the journal, Environment and Planning B, revealed that the average cost overrun on transport schemes stretches from 20 per cent for road projects to 45 per cent for rail.

"Psychological explanations account for cost overruns and benefit shortfalls in terms of what psychologists call the planning fallacy and optimism bias," Flyvbjerg explains. "Over-optimism can be traced to errors in the way the mind processes information."

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If the problem is wired into the human brain is there anything that can be done? For Nicholas Thompson, chief executive of architect Aukett Fitzroy Robinson, the answer is simply to steer clear of these big infrastructure projects. Thompson took the decision some time ago not to allow his company, one of the top 10 architects in the country, to bid directly for Olympics 2012 work.

He says: "These projects do not generally have the correct perspective on what is required, so when they start to deliver what is in the brief the costs just spiral."

Just as in the Olympics, it is generally accepted that initial bids and cost assessments are downplayed to win business or get the green light for a state-funded project.

Flyvbjerg: "Planners and promoters purposely spin scenarios of success and gloss over the potential for failure. Again, this results in the pursuit of ventures that are unlikely to come in on budget or on time, or to deliver the promised benefits."

Flyvbjerg says that this kind of spinning is largely driven by political necessity, adding: "Where there is political pressure, there is misrepresentation and lying."

So What can be done to correct this deep-seated flaw?

In 2003, the Government became one of the first in the world to recognize the problem of "optimism bias" and implemented a policy requiring all ministries to filter out overenthusiastic approaches to large public projects.

A good step, says Flyvbjerg, just not nearly enough. "Institutional checks and balances including financial, professional, or even criminal penalties for consistent and unjustifiable biases in claims and estimates... should be developed and employed," he says.

"The key principle is that the cost of making a wrong forecast should fall on those making the forecast, a principle often violated today."

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