Getting value for money from long term ventures

David Finlay

Director, National Audit Office

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Features of effective long term arrangements

- Both sides should have a vision of what the project is seeking to achieve
- They should be willing to adopt partnership working to planning ahead/resolving problems
- Risks should be allocated to the parties best able to manage them
- The contracts should allow flexibility for dealing with change

Current challenges

- New arrangements may be tried which has both opportunities and risks
- Will new arrangements have knock-on effects elsewhere ?
- How certain are future plans if the economic situation worsens ?
- Will projects be affordable both now and in the future ?

Lessons from recent NAO infrastructure reports

- You need programme management....and project management
- Good data is essential for good decisions
- Consider possible alternative solutions
- Allow independent challenge of procurement plans
- Effective contract management is essential

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