

Insights

THE INAUGURAL UK NATIONAL INFRASTRUCTURE STRATEGY 2020

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SUMMARY

The UK Government's inaugural National Infrastructure Strategy has now been published in response to the UK's first ever National Infrastructure Assessment, produced by the National Infrastructure Commission. This blog summarises and analyses that UK National Infrastructure Strategy 2020.

Background

The Armitt review (2013) recommended establishing a new [National Infrastructure Commission \(NIC\)](#) with statutory independence. The NIC would publish a National Infrastructure Assessment (NIA) every Parliament, detailing its analysis of the UK's infrastructure needs over a 10 to 30 year horizon, and then the Government of the time would be required to formally respond to the commission's recommendations. Fast forward a few years, and in 2018 the commission published the first ever NIA. The [National Infrastructure Strategy \(NIS\) 2020](#) (along with [other associated documents](#) published on 25 November 2020), is the current Government's response to that independent assessment.

It is worth recording here of course that 2020 has been a year like no other, given Covid-19, never mind years of wrangling over the effects of Brexit, and the country's finances are in the worst state they have been in for generations. But infrastructure investment is often (rightly) recognised for its wider economic benefits, so it begs the question as to how far the Government has felt able to go, particularly given the Prime Ministerial (and new US Presidential) mantra of 'Build Back Better'.

Why is the NIS 2020 so important?

The importance of this inaugural NIS stems from the status of the NIC itself. Readers will recall that the proposed NIC was at one point being hailed as an independent body, free from the shackles of the political cycle, which could truly assess what UK plc needs. But ultimately what appeared

was a body not with full independence, nor on a statutory footing. Instead the Government confirmed that the NIC would:

- be put on a permanent footing as an executive agency which will help plan, prioritise and ensure efficient investment;
- have its own budget, freedom and autonomy, detailed in a [charter](#) (and there is an accompanying [framework](#) document also).

As part of the above, the then Government committed to:

- issuing a formal response to all the recommendations contained in the NIC's reports, stating clearly whether the Government accepts or rejects the recommendations. The Government said it would respond as soon as practicable, which should mean within 6 months in the vast majority of cases, and never longer than a year;
- giving reasons where it disagrees with the NIC's recommendations and, where appropriate, presenting an alternative proposal for meeting the identified need;
- laying the NIC's reports and Government's response before Parliament as soon after their publication as practicable.

In return the NIC was charged with holding the Government's feet to the fire, including through publication of an annual monitoring report.

It is worth saying now that since its inception, the NIC has risen to its challenges with gusto, and advanced the debate on many fronts with both intelligent studies and meaningful advocacy. But because of its status, the ultimate decisions remain with Government.

So this first NIS might be said to be pretty important in assessing whether the NIC can achieve its original objectives, and a 'health check' on UK infrastructure policy.

So how does the NIS 2020 compare to the NIA 2018?

Positively, alongside the NIS 2020, the Government has published a full [response to the NIA](#). That report gives blow-by-blow responses from the Government to each of the NIA 2018 recommendations. It walks through all of the 64 detailed recommendations, and responds with a mixture of full and partial endorsement by Government (together stated as being in excess of 80% of the recommendations being wholly or partially endorsed).

Does the NIS 2020 do what it should?

There is a huge amount of detail in the published documents, but it is gratifying to see that, if the intention of the NIC and NIA was to put recommendations to Government and for the Government of the day to substantively and seriously respond, then there is a lot to be positive about. There will

inevitably be a lot of politics hidden in the detail, but on face value this Strategy is a leap forward compared to 10 years ago.

In terms of the mood-music, the NIS is labelled as 'Fairer, Faster, Greener' – and these 3 words conjure up thoughts of the recent Government consultation on planning reform, where the first consultation question asks respondents to describe the UK planning system in 3 words. So are these 3 words the UK Government's vision for infrastructure?

Turning then to the detail, the NIS focusses on the following areas:

Driving recovery and rebuilding the economy – stating that “Infrastructure investment will have a key role to play in the recovery, both by maintaining jobs in the short term, and creating the conditions for long-term sustainable growth.”

Levelling up and strengthening the Union – both as to geographic equality, but also given the implications of Brexit.

Decarbonising the economy and adapting to climate change – this refers immediately to the “Prime Minister's [Ten Point Plan](#) for a Green Industrial Revolution”, noting that “infrastructure investment is fundamental to delivering net zero emissions by 2050”.

Supporting private investment in infrastructure – alongside the NIS, there was the announcement of the establishment of a new National Infrastructure Bank (NIB). This will clearly be an important organisation in respect of financing for infrastructure projects, whose role will commence in Spring 2021. On investment, the NIS also states that the “Government will produce an overarching policy paper on economic regulation in 2021, which will consider regulator duties, how to inject more competition into strategic investments and the benefits of a cross-sectoral Strategic Policy Statement”. This will clearly be of huge interest to the many regulated utilities. There is also reference to the expansion of the RAB model and CfDs.

Accelerating and improving delivery – this picks up on 'Project Speed' from the summer, and also the changes proposed in the recent planning white paper. The NIS also includes the establishment of a National Infrastructure Planning Reform Programme, to look at the DCO/NSIP planning regime - with ambitions to cut timescales by 50%, and co-ordinate National Policy Statements reviews.

Final thoughts

In the conclusions of the NIS itself, the intent seems clear – that the Strategy is meant to be long-term, with clear goals, and multi-year funding commitments; and it finally “confirms the Government's commitment to fundamentally change the way it considers and delivers infrastructure across the whole of the UK”. Again one might be forgiven for thinking again of the recent planning white paper, promising fundamental reform. Does infrastructure delivery need fundamental reform, or is it more a case of improving what we've got?

Stepping back, it tells you something about the programmes which ‘big infrastructure’ works to, that it has taken a decade to get to this stage. Those outwith the industry might find that somewhat slow. But the signs remain positive and as with every economic downturn, infrastructure investment can be something of a ‘white knight’ that rides to the rescue.

And to leave you with something light-hearted – because frankly we all need it given the pandemic - Monty Python’s knights might not have had national infrastructure in mind when they said ‘NI’, but now we are the people who say NIC, NIA, NIS & NIB. And the nation’s economic recovery demands a lot more than a shrubbery (biodiversity net gain anyone? But that’s a whole separate blog...).

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