

Insights

ARMITT'S REVIEW OF INFRASTRUCTURE DELIVERY IN THE UK

Sep 13, 2013

SUMMARY

The latest thinking on how the UK should plan for infrastructure in the future in relation to Armitt's review.

BACKGROUND

The 'Armitt review' has now been published after extensive investigations. BLP, amongst other leading infrastructure industry bodies, submitted evidence.

The review was carried out by Sir John Armitt CBE into UK infrastructure requirements and how we as a nation go about meeting them; it is an independent review of the long term infrastructure planning commissioned for Labour's Policy Review'.

This subject is critically important for the country. As the report notes, "Any failure to address these issues [with infrastructure delivery and planning] will have real consequences for the day to day quality of life of our people." We all expect power at the flick of switch, water on tap, to be able to drive without hours of jams, and to fly when we want for holidays or business. Yet the UK was recently stated to rank only 28th in the world for its infrastructure. There are logjams and a lack of cross-sector coordination and prioritisation. There is too great a tendency for infrastructure planning to get caught up in the short-termism of five year electoral cycles. This is what the report is looking at.

NEED FOR ACTION

The report suggests that: the UK currently languishes 28th in leagues of national infrastructure quality; road congestion could cost the country £36bn per year by 2025, and 20% of the country's electricity generation is due to come offline within the next 10 years. You may recall that in June this

year, Ofgem reported that spare electricity power production capacity could fall to 2% by 2015. Thoughts of last year's drought and the ongoing airport deliberations also linger.

MAIN OUTPUT

The report's main recommendations are:

- Establish a National Infrastructure Commission (NIC) to be at the forefront of identifying UK's infrastructure needs across all sectors;
- NIC to be comprised of industry experts independent of government and civil service;
- Once a decade, NIC to prepare an holistic National Infrastructure Assessment (NIA) – considering all infrastructure needs in parallel over a 25-30 year horizon and recommending priorities over 5, 10 and 20 years;
- Parliament to approve NIA;
- Govt Departments to produce Sector Infrastructure Plans (SIPs) based on NIA for approval by Parliament and once approved to replace current National Policy Statements for “nationally significant” projects of a scale and kind now covered by the Planning Act 2008;
- Economic regulators to be under a duty to further the NIA and SIPS once approved by Parliament; and
- NIC to produce to Parliament annual reports on progress in meeting the long term.

This proposal is very different from the 'Infrastructure Planning Commission' (IPC) – established by Labour and abolished by the coalition. The IPC was about decision making (now back with the Secretary of State) on individual projects put before it. NIC, however, would be forward looking, setting a comprehensive agenda for Parliament to debate national infrastructure needs for the next 25-30 years.

We won't go into the mechanics of such an organisation here, but suffice to say that the identity of the members, the appointment mechanism, the tenure and terms of reference, will all of course determine the scope of what such a body could achieve. At yesterday's launch, it was accepted that commissioner appointments would be political – the Chair in the hands of the Prime Minister and others in those of the Chancellor.

RELATIONSHIP TO THE CURRENT NSIP/DCO REGIME

Helpfully the report proposes that the Planning Act 2008 regime remains as it is, and is allowed to bed down further. The report proposes that the new SIPs will give greater consistency than the NPSs, and hence help remove questions of need from the planning process.

CONCLUDING COMMENTS

The report has been well received, and rightly so. The proposals could benefit us all. The concept of a National Infrastructure Commission looking at priorities in the round and fostering cross party support seems to be a good thing – the question now comes down to the political context.

If the Government chooses to implement the outputs of this Opposition-commissioned review endorsed by Shadow Chancellor-Ed Balls: eyes will turn to the timing of any implementation vis a vis the next election(s); and then the practicalities of implementation (e.g. who is on the Commission and how are they appointed).

It's certainly worth a read and there will be more updates in due course.

RELATED PRACTICE AREAS

- Infrastructure
- Real Estate

MEET THE TEAM



James Parker

London

james.parker@bclplaw.com

[+44 \(0\) 20 3400 4132](tel:+442034004132)

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