

Insights

PLANNING REFORMS ANNOUNCED BY UK GOVERNMENT

SOME HEADLINES FOR INFRASTRUCTURE

Jul 13, 2015

SUMMARY

How the UK plans its infrastructure development is crucial to making sure the country gets what it needs. In addition to its first Budget post-election, the Conservative Government has produced its Productivity Plan, including much of interest for the infrastructure industry. This article explores the latest developments.

How the UK plans and delivers its infrastructure development is crucial to making sure the country gets what it needs. This article explores the latest developments further to the Government's Productivity Plan.

As trailed in the recent Summer 2015 UK Budget the Government has now made a further [announcement](#) and produced its report '[Fixing the foundations: boosting Britain's productivity](#)'.

The headlines for UK infrastructure planning and delivery are below.

WHAT'S BEEN THE PROGRESS TO DATE?

The Government reports that it has "made good progress on improving UK infrastructure in the last Parliament. The first-ever National Infrastructure Plan (NIP) was published, creating a coherent vision for UK economic infrastructure, and providing transparency and clarity on plans to finance and deliver critical projects." Further, "Average annual infrastructure investment (public and private) increased by 15% in real terms on the previous Parliament. The government will invest £100 billion in infrastructure over this Parliament, channelled towards projects that make the most difference to improving the UK's productivity." Mr Javid claimed this investment would give "long-term certainty and increased funding to the most productive areas of infrastructure spend".

PLANNING FOR THE FUTURE?

Since its inaugural production in 2010, we have seen the evolution of the annual National Infrastructure Plan ('NIP') as updated each autumn.

In the Productivity Plan, the Government said it will: "publish a new long-term National Infrastructure Plan for the key economic infrastructure sectors – transport, energy, flood defences, water, waste, communications and science. This will be supported by annual updates on progress with delivery."

The NIP to date has covered all of the various sector areas that make up UK infrastructure, with last year's 2014 NIP covering: roads, rail, local transport, aviation, ports, energy, floods and coastal erosion, communications, water, waste and science and research. So of that list, we can see that through a wide use of the term 'transport' in the Productivity Plan, all the areas covered by the NIP are, at least at a headline level, badged as being 'key' economic sectors. So no surprises to see that the details will have to be awaited before we get more sense of what is really 'key'.

Clearly this latest Government announcement seems to suggest that the NIP will evolve and provide greater detail and focus on certain sectors. It is worth remembering that whilst one of the primary recommendations of the recent Armitage Review was the establishment of a National Infrastructure Commission, the proposals also included the creation of 'sector infrastructure plans', albeit they were likely to be more akin to National Policy Statements (with the associated advantages and disadvantages). Hence it seems that the Government has recognised the need for the NIP to evolve, but does not wish for new 'sector plans' to be unduly slow in appearing.

Interestingly, by perhaps unsurprisingly, what the announcement doesn't touch on, is whether anything will be done in terms of an evolution of scope for IUK (or any other body/department) in terms of overseeing these sector 'plans'?

The Government also said it will: "also publish a dedicated National Infrastructure Plan for Skills in the summer, to provide analysis of current capability and future need and ensure the UK has the right skills base to deliver and maintain world-class infrastructure." and that "The NIP will continue to be underpinned by the Infrastructure Pipeline, which will be published on a regular basis, starting with an update this summer."

The importance of skills in infrastructure delivery has really come to the fore and it is good to see that the scope of the NIP is to expand on this front.

HOUSING

Since the introduction of Development Consent Orders for so called 'Nationally Significant Infrastructure Projects' ('NSIPs') under the 2008 Planning Act, the regime has been expanded to include so called 'Business and Commercial' developments, such as leisure and tourism facilities, and office development. However it has never allowed for any amount of residential development to be authorised under such a consent, and hence developers have had to rely on the conventional Town and Country Act 1990 planning permission route.

Hence it is of some interest that the Government is to "legislate to allow major infrastructure projects with an element of housing to apply through the Nationally Significant Infrastructure Regime (NSIP)" – hence DCOs could then be used for schemes including residential development, whereas until now there has been a total bar on any residential development being consented under a DCO.

Whilst it is not clear just how far this might go (and on face value it doesn't look like residential only schemes would come under this regime), or how well used it might be (for example there has only been one 'business and commercial' DCO application to date), it is a positive start in opening up what has been a successful regime for delivery of major projects in the UK, to address one of the country's big problems.

TRANSPORT

Roads, rail and air are all addressed in varying amounts of detail. Specifically in respect of airports – further to the Davies' Commission report at the end of June, the Government has committed to "take a decision on airport capacity in the south east by the end of the year" as well as considering "the best route for achieving planning consents", be that DCO or hybrid bill. Clearly this is a major issue for UK plc to resolve, and whilst the Government could have swerved it even further, we will simply have to wait and see what kind of a 'decision' we get, later in the year.

The Productivity Plan also contains a large amount of further detail in terms of planning reform generally, which will be the subject of a separate blog from the BLP team.

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