

Insights

INFRASTRUCTURE PLANNING IN THE UK: A GOLDEN ERA AND WHAT NEXT?

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SUMMARY

This article provides an update on infrastructure planning in the UK and contemplates where the sector is heading.

The 2010-2015 Conservative-Liberal Democrat Coalition Government presided over what, in hindsight, could be heralded a 'golden era' for infrastructure planning in the UK. Helmed by Prime Minister David Cameron and Chancellor George Osborne, UK government support for the infrastructure sector seemed to be a fast rising stock. However, since Theresa May came to power in 2016, the impetus for infrastructure planning in the UK seems to have waned with the spotlight and political focus appearing to shift away from the sector. Not a great surprise given the 'B' word which fills most column inches. And we no longer mean 'Boris'.

This article examines whether the hiatus in government announcements is temporary, and can be explained by the transition away from the Coalition Government's system driven by the publication of annual National Infrastructure Plans and pipeline documents, to a new and more formal strategic approach informed by technically based National Infrastructure Assessments, following the establishment of the National Infrastructure Commission. But unlike a commission envisioned by Sir Humphrey Appleby, this commission seems to have the backing and good will of the industry, and is already motoring along.

In conclusion, we hope to give comfort that the 'golden era' for infrastructure planning has not in fact come to an abrupt end nor that it has been demoted from the political agenda.

INFRASTRUCTURE PLANNING BETWEEN 2010-2015

The Coalition Government's vision and strategy for infrastructure investment and planning in the UK was initially set out in 2010 with the publication of the first National Infrastructure Plan ('NIP'). The Plan set out the Government's broad vision of the infrastructure investment needed to underpin the

UK's growth, identifying the barriers to achieving investment and providing a detailed strategy for addressing the needs. The NIP was published on an almost annual basis with subsequent iterations of the plan identifying the Government's 'top 40' priority infrastructure project programmes.

Alongside the NIPs, 'pipeline' documents were also published. The pipeline documents were lists of planned projects and programmes by sector. They provided details on the size, status and cost of the projects and a detailed regional breakdown.

In addition to the annual publication of NIPs and 'pipeline' documents, Infrastructure Delivery Updates were also published several times a year, tracking the progress of the priority infrastructure projects identified in the NIPs. 'Supplementary Financial Updates' were also published which provided information on financing and defining the nature and extent of the potential investment opportunities.

Finally, the UK had a new consenting regime for so-called Nationally Significant Infrastructure Projects ('NSIPs'), which started firing on all cylinders during the Coalition Government's tenure.

The volume and regularity of documents published between 2010-2015, and the detailed content on infrastructure needs and strategy, resourcing and tracking of progress, indicated the strength of the Government's commitment and support for this sector during this period. Those regular updates, along with constant references to infrastructure from the then Chancellor (each Budget and Autumn Statement was like infrastructure bingo, with calls of 'house' within minutes), meant that infrastructure was constantly and visibly high on the political agenda. Additionally the Chancellor had his pet project of the 'Northern Powerhouse', along with the less well known 'Midlands Engine'. This all seemed to offer the prospect of real comfort for all those involved in delivering and investing in UK infrastructure.

However, since 2015 information released by the Government on infrastructure planning in the UK has markedly diminished. Applications for NSIP projects peaked and then recently hit a bit of fallow patch. Rather than falling into the political abyss, the apparent radio silence in this sector can arguably be explained by the different tack taken by the incumbent Government (and the fact that it is a different government!).

INFRASTRUCTURE PLANNING POST 2016

The last annual National Infrastructure Plan was published in 2015. It was then re-branded as the National Infrastructure Delivery Plan ('NIDP'). The new NIDP was published in 2016 and sets out the Government's plans for economic development over a five year period between 2016-2021. The new NIDP also covers a wider remit and includes details of the Government's plans to support the delivery of housing and social infrastructure, it sets out key projects and programmes and major policy milestones in each infrastructure sector. At the same time as this five year plan was

published, the National Infrastructure Pipeline was also refreshed to show the size and status of planned public and private investment to the end of the decade and beyond.

Since the publication of the new NIDP and pipeline document in 2016, and in marked contrast to the plethora of documents published in the preceding five years, there have been no further details published by the Government of its plans and strategy or providing progress updates on existing infrastructure projects. The only infrastructure announcements of significance since 2016 were on the Hinkley Point C nuclear power station (which the Government eventually approved), followed by more muted support for Crossrail 2. The Northern Powerhouse seems to have had its coverage switched off.

WHERE IS INFRASTRUCTURE PLANNING HEADING?

The relative silence since 2016 can be explained by the Government's shift towards a more formal and technically based system now in place to inform the UK's vision for infrastructure. The new approach is led by the National Infrastructure Commission ('NIC') which was established towards the end of 2015 as a non-ministerial department to provide independent expert advice to the Government on infrastructure. The NIC will publish a National Infrastructure Assessment ('NIA') once in every Parliament which will analyse the UK's long-term economic infrastructure needs, outline a strategic vision over the next 30 years and set out recommendations for how the identified needs should be met.

You may recall that when the NIC was established, one of the drivers was the issue of the political cycle causing uncertainty, when compared to the long-term approach needed for infrastructure projects. But the NIC wasn't given the full statutory status sought, and how Government deals with the NIC's future recommendations remains to be seen.

WHAT CAN WE EXPECT IN 2018?

The first NIA is programmed (albeit let's not suggest that a programme related to infrastructure never changes!) to be published in 2018 and will most likely provide a renewed focus for the various infrastructure sectors. Due to the work of the NIC and the upcoming NIA, it is unlikely that the Government will produce anything like the volume of documents and updates that became the norm under the coalition, and in this respect UK infrastructure may appear to receive less attention than it has done in the past. Longer term, the profile of infrastructure should get back to where it was - albeit there is still the spectre of the major test of how the Government addresses the NIA and recommendations from the NIC next year.

More generally now, the Government is under pressure from the NIC to ensure that Brexit does not delay or defer decisions on infrastructure projects, and it has identified the 'top 12' immediate priorities on which it is pressing Ministers to make rapid progress. These projects are all agreed in principle but await decisions to get them moving. They include Heathrow, HS2 to the North of

England, new electricity generating capacity, improvements to digital communications and a new Thames crossing to relieve the M25 Dartford crossing. Given the importance of the fortunes of the UK economy and the role of infrastructure as a facilitator for economic growth, perhaps it will be difficult for the Government to defer decision making on these projects too far (and indeed progress on many fronts is in train).

So 'What next?' – well don't be surprised if 2018 brings, along with the publication of the first NIA, a renewed profile for UK infrastructure.

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