

National Infrastructure Commission call for evidence

Response from the Chief Economic Development Officers Society (CEDOS)

CEDOS

1. This Memorandum of evidence is submitted by the Chief Economic Development Officers Society (CEDOS). The Society represents Heads of Economic Development in upper tier local authorities throughout England. Membership includes county, city and unitary councils. The Society carries out research, develops and disseminates best practice, and publishes reports on key issues for economic development policy and practice. Through its collective expertise, it seeks to play its full part in helping to inform and shape national and regional policies and initiatives.

OUR OVERALL VIEWS

2. We welcome the creation of the National Infrastructure Commission as a new, independent body which will look broadly at long-term infrastructure needs and provide impartial advice to ministers and Parliament. However, we note that detailed work on the purpose and structure of the Commission, its economic and fiscal remit and its relationship with Government has still to be completed. We welcome the fact that these fundamental aspects will be the subject of future consultation, which we will be pleased to engage with.

3. In the meantime, as a national organisation we would like to take the opportunity to respond to this call for evidence issued by the Commission, notwithstanding the fact that it focuses on three very specific areas for which terms of reference have been set out for the Commission, two of which are limited geographically:

- future Investment in the North's transport infrastructure;
- London's transport infrastructure;
- delivering future-proof energy infrastructure.

4. In providing evidence we would like to emphasise the importance of the purpose of the National Infrastructure Commission as set out in the Government's Autumn Statement, to "enable long term strategic decision making to build effective and efficient infrastructure for the UK"¹. We recognise that the three areas referred to above were stated as the Commission's initial focus, when it was launched in October 2015². At the same time, the facts are: that the Commission is required to report on these three areas with recommendations by Budget 2015; that it is expected to deliver a long-term plan and assessment of national infrastructure needs early in each parliament, setting out what a government is expected to do over the next five years³; and that the Government intends to publish a National Infrastructure Delivery Plan

¹ *Spending Review & Autumn Statement* HM Treasury November 2015

² *Infrastructure at heart of Spending Review as Chancellor launches National Infrastructure Commission* HM Treasury news release 30 October 2015

³ *Chancellor announces major plan to get Britain building* National Infrastructure Commission & the Rt Hon George Osborne MP news release 5 October 2015

next spring, setting out in detail how it will deliver key projects and programmes over the next five years⁴.

5. We support the need for action on infrastructure but the reality is that the Commission will need to consult and take evidence much more widely if it is to make a realistic assessment of national infrastructure needs to enable Government to put in place a comprehensive National Infrastructure Delivery Plan to meet the needs of this country as whole. The current limited focus of the Commission and the timescale to which it is required to operate are hardly consistent with the Chancellor's intention that it will "calmly and dispassionately assess the future infrastructure needs of the country"⁵.

THE SPECIFIC AREAS BEING CONSULTED ON

Transport infrastructure

6. As a national organisation our evidence concentrates on the one area that has a UK wide focus - delivering future-proof energy infrastructure. Nevertheless, on transport we would make the point that important though improving connectivity between cities in the north of England, and transport infrastructure in London are, the shortcomings of transport infrastructure in the UK are by no means confined to these areas. The Commission and indeed the Government will not need reminding of the commitment to the Midlands Engine, where, for example, the relationship between the Port of Immingham (the largest in UK by tonnage) and major manufacturing areas across the Midlands should not be underestimated.

7. Equally there are significant infrastructure needs in many other areas. An example that has been highlighted in the soundings we have taken with our members is the proposed re-instatement of a rail link between Oxford and Cambridge as a key part of *East West Rail*, a major project to establish a strategic railway connecting East Anglia with Central, Southern and Western England. These and other essential projects need to be addressed if the strategic aims of achieving consensus and building effective and efficient infrastructure for the UK as a whole are to be achieved.

Delivering future-proof energy infrastructure

8. It is evident from feedback we have received from our members that an imbalance between electricity demand and supply is a major issue in many areas of the country. It is constraining residential projects, wider business development and growth and is holding back the use and development of renewable energy projects. For example, we have been told:

- "There are real issues around poor and unreliable electricity supplies constraining growth and deterring further business investment. This affects urban fringes, towns and rural areas" – Dorset;

⁴ *Spending Review & Autumn Statement* HM Treasury November 2015

⁵ *Chancellor announces major plan to get Britain building* National Infrastructure Commission & the Rt Hon George Osborne MP news release 5 October 2015

- “The mismatch between electricity demand and supply is a massive consideration which plays out at local levels as well as on a national scale. We have met several businesses recently whose growth is constrained due to a lack of power supply. The cost of installing a new supply is the responsibility of the first business that uses it and it would be helpful if the Commission could explore ways of spreading the cost with developers or with potential users over several years” – Lincolnshire;
- “The distribution network is now at capacity and in some parts of the county, particularly around the Greater Cambridge area, renewable or other energy projects cannot be connected to the network without paying significant grid reinforcement costs, which render most smaller scale renewable energy projects unviable” – Cambridgeshire.

9. There is a particular issue, which is being experienced in a number of areas, around the high cost of providing supply when the network is at capacity. As this is falling on a single user, it is making developments unviable. The Commission should consider mechanisms to allow for the forward funding and planning of new energy infrastructure.

The importance of all essential infrastructure

10. We recognise that in this consultation the Commission has had to focus on the specific objectives set for it. However, in delivering an overall assessment of this country’s infrastructure needs it is essential the Commission looks at infrastructure more broadly and does not concentrate exclusively on transport and energy supply, important though they are. The soundings we have taken with our member authorities have also highlighted for example, water supply constraints on industries such as food production in some areas; and the fact that limited access to digital technology in particular superfast broadband remains a barrier in too many areas.

11. On the subject of superfast broadband, as we said in our evidence to the recent Inquiry into the digital economy by the House of Commons Business Innovation and Skills Select Committee⁶, digital connectivity is essential for our economy to adapt, innovate, compete and grow – globally and locally – but as the Government’s recently published Productivity Plan acknowledges, although our digital infrastructure is improving, “there are still too many businesses hampered by slow connections”⁷. In CEDOS’ view superfast broadband should be regarded as a fundamental infrastructure in much the same way as electricity, water and transportation networks are.

12. The Commission must also seek to align with the wider National Infrastructure Planning Processes, in particular the Planning Inspectorate, to ensure that the critical planning and consultation processes required for nationally significant infrastructure are considered as part of the wider delivery process. Further details of how the Commission will operate with the Planning Inspectorate are needed.

⁶ *Evidence to the Business Innovation & Skills Committee Inquiry into the digital economy* CEDOS October 2015

⁷ *Fixing the Foundations – Creating a more prosperous nation* HM Treasury July 2015