

January 2010



# ICE manifesto for infrastructure

## Introduction

The Institution of Civil Engineers (ICE) is made up of over 80,000 professional civil engineers. Most of them work in the UK, but ICE members also operate in 164 countries worldwide. ICE's Royal Charter obliges it to always have regard to the public benefit, and to act in a manner which is consistent with the public good. True to these obligations, ICE is not a lobby group, but a professional body which aims to harness engineering knowledge and expertise for the benefit of society.

## Principal recommendations

ICE has produced a full scale manifesto, available online at [ice.org.uk/knowledge/Policy\\_statements.asp](http://ice.org.uk/knowledge/Policy_statements.asp). Below are the specific policy proposals from that manifesto, designed to address some of the main issues facing the nation in terms of building and maintaining infrastructure. We hope that these proposals will be considered by the political parties, and taken up by individual candidates.

## National Infrastructure Investment Bank

It is estimated that the UK will need to spend in the region of £400 billion on new and refurbished infrastructure by 2020 in order to address historic underinvestment and speed the transition to a low carbon economy. The financial crisis has however placed enormous pressure on public finances and reduced the availability and increased the cost of private capital. A National Infrastructure Investment Bank could help to attract the large volumes of private capital which will be needed to fund essential infrastructure investment.

Currently, where funds are available, they are expensive and lenders are often unwilling to lend for periods longer than seven years. This is a much shorter period than the life of a typical infrastructure project or operating concession. While this problem affects all infrastructure sectors, it poses an even greater challenge for some emerging low carbon technologies, where the risk for investors is perceived to be greater.

A National Infrastructure Investment Bank could help by:

- Providing capital or guarantees where private financial markets are unwilling or unable to provide all the funds required for projects which have high social, environmental and economic benefits
- Working with the private sector to put together workable financial structures for infrastructure projects
- Developing thinking on innovative new ways to finance major projects
- Providing financial support (loans, equity or venture capital) for companies looking to bring near market, low carbon technologies or services to full commercialisation



## Energy

The UK faces two major challenges in the field of energy. These are the predicted gap in generation capacity from 2016 onwards, and the stringent CO<sub>2</sub> emission targets set out in legally binding carbon budgets for the periods 2008-12, 2013-17 and 2018-22.

Urgent action needs to be taken to reduce overall energy generation requirements through investment in domestic insulation, and the expansion of Combined Heat and Power Schemes.

At the same time reserve capacity needs to be developed through a substantial increase in gas storage capacity. The UK has just one eighth of the storage capacity of the USA, and one sixth of the storage capacity of France.

There also needs to be a boost in generation capability through the development and application of carbon capture and storage technology. There is no global shortage of coal, and if the pollution can be mitigated this would help keep this resource in the energy mix.

## Planning

ICE believes that the National Policy Statements (NPSs) and the special consent regime for infrastructure projects of strategic national importance created by the Planning Act are beneficial to the economy and to society. They should therefore both be preserved, in order to ensure that vital infrastructure projects proceed without undue delay.

However, ICE also believes that Parliament should be asked to approve the National Policy Statements to secure their legitimacy. It also feels that NPSs should be linked to the Comprehensive Spending Reviews, and existing strategic investment plans. The newly announced Infrastructure UK provides a vehicle for making this happen.

In addition, developers must ensure that they effectively engage the communities affected by individual projects well in advance of the submission of any formal planning application.



**For further information on  
ICE's policies please go to:**

**[ice.org.uk/knowledge/Policy\\_statements.asp](http://ice.org.uk/knowledge/Policy_statements.asp)**

**If you have any queries or comments please  
email us at [debate@ice.org.uk](mailto:debate@ice.org.uk)**