

## Infrastructure and the Planning System

### Summary of current ICE position

The UK requires a planning system that will explain the Government's vision for the future shape of the UK and help speed up the delivery vital national infrastructure.

The country is experiencing a period of development and change in its infrastructure requirements, and it requires a planning system which provides confidence and certainty to developers and investors to support the continual drive for economic development, whilst ensuring that development brings quality of live improvements for all and does not breach environmental limits.

The length and uncertainty of the current planning process – broadly defined to include both authorisation under various statutes and allocation of public resources where relevant – have led to confused signals being sent to the market. This is inhibiting a strategic approach to the development of national infrastructure projects and networks.

The current 'stop-start' culture constrains the engineering industry's ability to develop and maintain special skills. 'Stop-start' might also lead to companies opting for overseas investment and development opportunities, and specialists leaving the industry. In the long run this situation is likely to lead to increased costs, many of which will fall on the public purse.

Within the planning system, there should be clear accountability for decision-making, a transparent process with opportunities for public involvement and a clear distinction between issues of local, regional and national relevance. The planning regime should also incorporate climate change and sustainability considerations.

All of the above drivers are mutually compatible, if the right policies are combined with an effective decision making process.

ICE supports the Government's case for reforming the current system outlined in the Planning White Paper including:

- Proposals for an independent planning body to take decisions on large-scale national projects and networks and provide a continuity of commitment to their development.
- Proposals to introduce National Policy Statements for key infrastructure sectors to clarify Government policy provide a clearer strategic framework for sustainable development and to remove a source of delay from inquiries.
- Plans to improve public engagement at each stage of the decision making process.

### What ICE would like to see happen

#### Goals

- A move away from the current approach of 'predict and provide' towards 'plan, manage and monitor'.
- An end to the 'stop-start' nature of infrastructure development.

These goals can be achieved by:

- Developing a long-term national spatial strategy and investment framework, underpinned by strategic infrastructure plans, to help expedite the delivery of urgent and vital infrastructure, explain its vision for the UK and how activity should be distributed around the country, and to control the impact of one area of government policy on another, as well as to arbitrate between commercial undertakings
- The introduction of a national independent planning body to take decisions on national infrastructure projects – within national frameworks – and to consider smaller projects where these are integral to nationally significant networks. This body should be authorised to grant consents, confer powers,

including powers to compulsory purchase land and amend legislation necessary to implement nationally significant infrastructure projects. A similar model to the Monetary Policy Committee would be useful for an independent planning body. An independent planning body would help separate Government policy goals and day-to-day operations of authorisation. Membership of an independent planning body should include chartered civil engineers to provide high quality professional advice on engineering issues, however there would be a need for clear governance and transparent registration of interests' process.

- The introduction of the proposed National Policy Statements for key infrastructure sectors to; (i) clarify government policy; (ii) provide a clearer integrated strategic framework for sustainable development; (iii) further spatial objectives; and (iv) remove a source of delay from inquiries.
- A clear link between the authorisation and funding processes to avoid raising unrealistic expectations among developers that authorised planning proposals will automatically be accompanied by public funding.
- A definition or a list of criteria to determine 'significant national infrastructure' status for the purpose of the decision making process.
- Investment into the renewal of ageing infrastructure to meet new demands and regulatory changes.
- Engaging the public at each stage of the decision making process.

### **Background and key issues**

ICE has made the case, through successive *State of the Nation* reports, that the UK requires significant investment across all sectors, including transport, waste management, energy and water to solve the current infrastructure deficit. This infrastructure is vital for enhancing the UK's long-term economic competitiveness and for improving the nation's quality of life.

ICE *State of the Nation* reports have also highlighted problems such as the demise of the '*Ten Year Transport Plan 2000*' and the failure to let any significant number of contracts for new waste facilities.

There is also significant demand for new housing and changing requirements in the commercial sector reflecting transition from a manufacturing industry to services. As identified in *The Eddington Transport Study: The case for action* report to government in 2006, this infrastructure is vital for enhancing the UK's long-term economic competitiveness, growth and stability<sup>1</sup>. The *Barker Review of Land Use Planning*<sup>2</sup> report, commissioned by the Treasury, suggests that elements of planning policy and processes have a negative impact on UK productivity leading to a productivity gap with the nation's major competitors. In addition, according to United Kingdom Trade and Investment planning issues consistently rank as one of the top six concerns of companies looking to invest in the UK<sup>3</sup>. The Planning system therefore needs not only immediate, short-term solutions but also longer-term managed renewal.

The lack of clarity on national needs coupled with an inconsistent system of incentives has led to confused signals being sent out to the markets and a lack of investment and innovation. As a stark and extreme example, the uncertainty being created surrounding the future of nuclear power has led to a skills shortage of nuclear engineers, which will be more problematic should the government continue with its nuclear power agenda.

Between 2004 and 2005 there were no new major planning approvals for facilities. The West Sussex Materials Recycling Facility was rejected against planning officers' advice and the Riverside Resource Recovery in Bexley was put back to further public enquiry against inspector's recommendations.<sup>4</sup> In 2006 ICE highlighted that resource and waste management infrastructure must be put in place quickly to help the UK meet its landfill targets. It is estimated that to meet those targets, the UK will need 1,700 new facilities of a range of sizes to be operating by 2020 at a cost of some £10 billion.<sup>5</sup>

The system is the cause of much uncertainty, cost and delay. For example, BAA's application to build Heathrow Terminal 5 is an extreme example of the delays possible in the system. BAA eventually had to lodge 37 different applications across seven different pieces of legislation. The application was lodged in 1996, the public inquiry sat for a total of 46 months, the chairman of the inquiry took a year and a half to write his report, and the Government took 11 months to consider the report before issuing a decision. In total, this meant that it took more than seven years from the date the application was made to the issuing of the final decision.<sup>6</sup>

The Thameslink 2000 scheme required over 30 consents, under four different Acts of Parliament – and over eight years to be approved.<sup>7</sup> While some progress has been made by government to reduce the length and cost of delays, both Eddington and Barker have proposed the removal of ministerial interference in the decision making process and the establishment of a new independent Planning Commission to take decisions on individual infrastructure project proposals within national frameworks.

### Principles

- All new infrastructure and the associated planning process must follow sustainable development principles, minimise the use of materials, and promote improvements to quality of life and the natural environment.
- Appropriate market conditions should be created to encourage investment in major national infrastructure projects and networks.
- Sufficient investment must be allocated to the much needed renewal of existing ageing infrastructure.
- A statutory consultation process and local engagement from the outset should be standard practice.
- Appropriate incentivisation and/or compensation for areas which agree to accommodate politically unpopular projects should be made available.
- There should be a clear distinction between issues of local, regional and national relevance. The Government and proposed Independent Planning Commission should set policy and take decisions respectively on projects and networks vital to national prosperity. Regional planning bodies and local authorities should play their role as place shapers, take decisions on non-national infrastructure proposals and champion relevant regional and local issues to the Independent Planning Commission.
- The local authority role should be to provide information on the local area and the long-term vision for the area
- Submission of various project alternatives from promoters – ranging from difficult and daring, to easy and safe – should be encouraged.

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<sup>1</sup> HM Treasury, 2006, *The Eddington Transport Study*, Her Majesty's Stationery Office, Norwich – <http://www.dft.gov.uk/about/strategy/eddingtontstudy/>

<sup>2</sup> HM Treasury, 2006, *Barker Review of Land Use Planning – Final Report-Recommendations*, Her Majesty's Stationery Office, Norwich – [http://www.hm-treasury.gov.uk/media/3/A/barker\\_finalreport051206.pdf](http://www.hm-treasury.gov.uk/media/3/A/barker_finalreport051206.pdf)

<sup>3</sup> UK Trade and Investment, 2006, *Response to the Barker Review of Land Use Planning Call for Evidence*.

<sup>4</sup> Institution of Civil Engineers, 2005, *State of the Nation*, Institution of Civil Engineers, London – [http://www.ice.org.uk/downloads//state\\_of\\_the\\_nation\\_2005.pdf](http://www.ice.org.uk/downloads//state_of_the_nation_2005.pdf)

<sup>5</sup> Institution of Civil Engineers, 2006, *State of the Nation*, Institution of Civil Engineers, London – <http://www.ice.org.uk/downloads//State%20of%20the%20Nation%20report%202006.pdf>

<sup>6</sup> Department for Communities & Local Government, 2007, *Planning for a Sustainable Future: White Paper*, Her Majesty's Stationery Office, Norwich – <http://www.communities.gov.uk/documents/planningandbuilding/pdf/320546>

<sup>7</sup> Department for Transport, 2006, *Speech by Rod Eddington to the Commonwealth Club in London on 1 December 2006*, London – <http://www.dft.gov.uk/162259/187604/206711/speech>