

ICE policy position statement: Evolving the UK strategic infrastructure planning system post-National Infrastructure Strategy

July 2021

Executive Summary

The coming decade will require us to sustainably implement complex infrastructure changes to meet population growth, demographic shifts, imbalances in economic prosperity across the nation and, of course, removing carbon from the economy – all at a time when skills are going to be stretched. If ever there was a time to be more strategic in identifying, prioritising and planning for infrastructure system interventions, now is that time.

The framework for strategic infrastructure planning and prioritisation that has been in place for the last few years, centred on independent and impartial advice from the National Infrastructure Commission (NIC), has been a good starting place. However, we must learn from the past to ensure the strategic planning framework we use over the next five years is the very best that it can be. Our review over the last few months¹ has kept this objective front and centre.

The current government is alive to the benefits of the NIC and independent advice on infrastructure, stating in the National Infrastructure Strategy (NIS): ‘The government is also committed to ensuring the NIC maintains its reputation as an impartial, expert body.’ Despite all the changes in government, ministers, opposition and MPs since the NIC was set up, the principle of an independent NIC and National Infrastructure Assessment (NIA) has prevailed, a significant vote of confidence by policy- and decision-makers in the value of the NIC, and one shared by infrastructure professionals.

The main findings of our review are that the new strategic infrastructure planning and prioritisation approach of the last five years has been of benefit and should remain in place. The most tangible benefit has been the provision of a clear, well-evidenced plan of action for policy- and decision-makers to use during a period of unprecedented political and socio-economic uncertainty borne out of the UK’s exit from the European Union and responding to the Covid-19 pandemic.

With the NIC gearing up to deliver NIA2, our recommendations focus on practical changes to realign the approach to national infrastructure planning and ensure future development of the UK’s infrastructure system delivers on ‘levelling-up’, infrastructure decarbonisation and adapting to new models of behaviour post-pandemic. These recommendations focus on improving transparency, consistency and certainty as ways to unlock further economic benefits from the strategic infrastructure planning system.

¹ ICE (2021) [A Post-National Infrastructure Strategy Review: ICE discussion paper and consultation](#)

The recommendations are:

1. **The objectives for the NIC, set out in the Framework Document, should be updated to include net zero and the Sustainable Development Goals.**
2. **Parliament should embrace and make greater use of the NIC as a provider of advice on infrastructure system development that can help with scrutiny of government decisions.**
3. **The NIC's fiscal remit should remain and continue to be set by the government, with this being used as the central band for NIC recommendations.**
4. **The publication of a National Infrastructure Strategy at least once every five years should be enshrined in legislation.**
5. **Future National Infrastructure Strategies should be published either as, or with, National Policy Statements for infrastructure, and existing Statements should be updated.**
6. **The NIC should provide an annual update on changes, if any, to the evidence base underpinning its existing recommendations.**
7. **Capability in infrastructure planning and prioritisation should continue to be built at the subnational level by evolving subnational transport bodies to become subnational infrastructure bodies, tasked with creating regional infrastructure strategies, backed up by spatial strategies.**

What benefits has the approach to strategic infrastructure planning brought in the last five years?

The main benefits of the new approach will be seen over the medium to long term; it is therefore too early to identify material benefits, as investment as part of the National Infrastructure Strategy is only just beginning. However, our review identified potential means of tracking progress in the interim, including public, infrastructure and construction industry surveys and focus groups to test confidence, transparency and trust in the process and how these change over time. Other metrics, such as long-term investment by infrastructure clients, could also be tracked. Monitoring the delivery and benefits of NIC recommendations should also continue as part of the NIC's Annual Monitoring Report.

There are wider benefits that came to light during our review, both at the systems level and the industry level.

At the systems level, it is recognised that the National Infrastructure Commission has raised awareness of the role of infrastructure development, including its trade-offs and benefits; this has been achieved by having high-profile and well-regarded Chairs and Commissioners. The process underpinning the creation of the National Infrastructure Assessment also provided stage gates (the complete NIA consultation process and NIS response) to drive planning for infrastructure. This process also freed up policy officials (at both national and local levels) to focus on how to implement proposals rather than the justification for them.

The NIC and its work have also been the starting point for many initiatives that have subsequently benefited industry. The Commission has helped to link together issues affecting multiple sectors and provided guidance and advice on reform, for example on resilience,² regulation³ and data use in infrastructure.⁴

At a firm and industry level, the NIA provided foresight to firms, allowing them to better plan investments for staff (and staff development) to align with the expected investment pipeline. While there was no guarantee the government would adopt the NIA, the transparency it provided regarding the potential pipeline was beneficial to firms, particularly in the consultancy market, the labour market, financial institutions and wider supply chain. The NIA also fostered a better dialogue between built environment firms and the government on major schemes and how to plan for their implementation, enabling preparatory discussions.

The benefits above can be enhanced in the future by the NIC playing a more active role within the built environment sector, helping to raise industry understanding by explaining trade-offs, policy-making realities and what industry needs to change to deliver for the public.

Given these early benefits and the position the NIC has established for itself, stability is essential, and our recommendations look to enhance what is working and codify the positives for future development. Our recommendations focus on unlocking sustainable economic benefit by improving transparency, consistency and certainty of the strategic infrastructure planning system.

The economic benefits of transparency, consistency and certainty as part of a strategic infrastructure planning system

The goal for strategic infrastructure planning is the creation of a timely, stable, investable and long-term package of major infrastructure system interventions (for example, new build, upgrades, repair, etc.). Achieving that goal delivers the economic benefits of the infrastructure system being an enabler rather than an inhibitor to sustainable growth, while also increasing the time available for detailed planning on how to procure and deliver that intervention in the most productive and efficient way possible.

Greater levels of transparency and consistency in how decisions are made, alongside improved certainty of processes (and outcomes), increases the likelihood of capturing a wider range of benefits in a timely manner over the long term, while narrowing the chances that decisions will be reopened, increasing stability and investability of projects and programmes.

The NIC's objectives and remit

1. The objectives for the NIC, set out in the Framework Document, should be updated to include net zero and the Sustainable Development Goals.

These objectives drive how the NIC undertakes its assessments and reflect long-term goals that Parliament has committed to, supporting cross-party consensus. The NIC's remit of national economic infrastructure, including to support housing, should not be broadened as the current remit facilitates a link to the Nationally Significant Infrastructure Planning regime.

The strategic infrastructure planning system is built around economic infrastructure, particularly networked infrastructure that crosses geographic boundaries. While the economic benefits of development are dominant, there has been an effort to incorporate social and environmental benefits into decision-making, including social value and Green Book reform. It has taken a while to get us to this place of strategic planning on

² NIC (2020) [Anticipate, React, Recover: Resilient infrastructure systems](#)

³ NIC (2019) [Strategic Investment and Public Confidence](#)

⁴ NIC (2017) [Data for the Public Good](#)

economic infrastructure linking together identification, appraisal and planning consent as part of the Nationally Significant Infrastructure Planning regime; we should allow this to embed rather than run the risk of creating a system that increases complexity, opportunities for prevarication and delays to decision-making.

The NIC's Framework Document⁵ outlines objectives for the NIC; these objectives should be updated instead of making any changes to the NIC's remit. We note that the NIC has already signed up to the Vision for the Built Environment,⁶ which places the achievement of the Sustainable Development Goals (SDGs) as the primary outcome for infrastructure development. Similarly, the NIC takes into account Climate Change Committee Carbon Budgets and advice in its work.

In addition to the NIC's current three objectives (support sustainable economic growth across all regions of the UK, improve competitiveness and improve quality of life), infrastructure to support achieving the SDGs should also be incorporated, alongside the net-zero target. This would codify existing good practice and would negate the need for a separate carbon remit.

Making greater use of the NIC's advice

2. Parliament should embrace and make greater use of the NIC as a provider of advice on infrastructure system development that can help with scrutiny of government decisions.

The NIC is not just an adviser to the government but to the entire infrastructure system; infusing its insight and guidance in all political debates on strategic infrastructure planning is essential, particularly over the next decade. Accordingly, select committees should seek out the NIC's view on the conclusions of government-commissioned reports on infrastructure and hold one-off evidence sessions on the NIC's Annual Monitoring Report and any one-off studies conducted by the Commission. This will be particularly useful as at present the government does not have to formally respond to the Annual Monitoring Report, whereas it would have to appear before a select committee on the subject, if asked to do so.

The NIC is an independent and impartial advisor on infrastructure to the government, Parliament, other elected officials, infrastructure professionals and the public. Although governments will naturally want to conduct their own independent reviews on infrastructure, we would expect the NIC to be consulted as part of that process to ensure the review adds value, for example advice being sought from the NIC on Terms of Reference of any potential review.

The NIC is free to make its opinion known on the findings of alternative infrastructure reviews when they are published and the extent to which alternative reports align with the NIC's analysis, findings and recommendations. The beneficiaries of the NIC's views in this instance would be not only government but also Parliament, the public and the wider built environment sector as well. The most appropriate mechanism would be a select committee hearing, recognising that these can be called at short notice, on any relevant topic where there is a demand, are public sessions and require attendance from witnesses. Given the significant investment pouring into infrastructure development over the coming decades, including additional investment by the UK Investment Bank, Parliament should make greater use of the NIC's advice and counsel to ensure money is well spent.

⁵ HM Treasury (2017) [National Infrastructure Commission Framework Document](#)

⁶ Centre for Digital Built Britain (2021) [Vision for the Built Environment](#)

Fiscal remit and advice

3. **The NIC's fiscal remit should remain and continue to be set by the government, with this being used as the central band for NIC recommendations.**

The NIC receives guidelines from the government on the level of public investment in infrastructure the government is comfortable committing to over the long term. This is known as the fiscal remit and is currently set at 1 to 1.2% of GDP in each year to 2050. Budgetary control is a core function of the government of the day. In our consultation document for this review, we also outlined the benefit of having a fiscal remit as helping policymakers and the NIC focus minds. Our review has not found a strong enough counter to that argument. Therefore, we recommend that the fiscal remit should remain. However, the government may wish to consult on the remit to support transparency.

Where there is scope for evolution is in how recommendations are delivered. Future NIC recommendations should come with illustrative budget bands similar to the NIC's outputs on the Integrated Rail Plan, with the fiscal remit forming the central band. Having these bands will enable a meaningful public debate on the value of an investment and allow an adaptive investment approach by current and future governments.

Upper and lower band assessments for each sector would allow more rapid changes in investment plans as fortunes allow. This should also look at interdependencies to ensure a proper debate on the system benefits from linked investments.

Linking the NIC's work with planning

4. **The publication of a National Infrastructure Strategy at least once every five years should be enshrined in legislation.**

Ensuring the UK has a strategy and process for long-term infrastructure development is important. ICE continues to support statutory underpinning for the NIC; however, in advance of that, giving statutory underpinning to the end-result of the NIC's work, a National Infrastructure Strategy, is a practical first step.

Enshrining the need for the Secretary of State to produce an NIS in legislation would provide the NIC with certainty on the frequency of Assessments (at present, this is listed as 'once every Parliament'). It would also give transparency to the construction industry on the cycle of updates. Similar requirements for regular strategies backed by statute include the Cycling and Walking Investment Strategy;⁷ similar language could be used to set out the requirement that a National Infrastructure Strategy should be produced every five years.

In the long term, giving statutory independence to the National Infrastructure Commission will ensure its outputs also have enough weight to give investors confidence and certainty. Providing this certainty would mean projects can be expedited more quickly, at a lower cost, and would enable the supply chain to plan their activities more efficiently.

⁷ See [Infrastructure Act 2015, Part 2 – Cycling and Walking Investment Strategies](#)

5. Future National Infrastructure Strategies should be published either as, or with, National Policy Statements for infrastructure, and existing Statements should be updated.

This would close the loop to ensure strategy drives planning and development, including providing guidance for regulators for price reviews, which is crucial over the next decade. Existing National Policy Statements should also be reviewed and updated in light of NIS2020. The Ministry of Housing, Communities and Local Government has recently published guidance on reviewing National Policy Statements,⁸ noting that a consideration on whether to conduct a review should be made at least every five years.

The Energy National Policy Statement is an example of an NPS that provides both a strategic overview as well as specific recommendations on energy infrastructure development. A single National Policy Statement for infrastructure⁹ could achieve the same effect, with the NIS serving as the strategic element, or first chapter, of that single NPS and sector-specific annexes developed to add specifics for different infrastructure sectors. Such an approach would ensure consistency across sectors on issues such as noise limits.

The main outcome from any reform is to ensure the National Infrastructure Assessment informs strategy, which should then be reflected in infrastructure development plans by Departments, and backed up by statute so that clients can make investment plans with certainty. At present, National Policy Statements provide that outcome: clear plans backed by statute. In the absence of statutory underpinning for the NIC, an easy fix is to align National Policy Statements with the National Infrastructure Strategy.

Ensuring transparency and pace in decision-making

6. The NIC should provide an annual update on changes, if any, to the evidence base underpinning its existing recommendations.

The NIC's update on the NIA's recommendations, in light of the net-zero target, provided reassurance that these were still valid. Similar annual updates would improve transparency and demonstrate that the NIC's advice is always based on the latest evidence and kept continually under review.

The coming decades are likely to see infrastructure being developed with a greater degree of uncertainty than normal. The NIC has outlined the need for adaptive policy¹⁰ to manage this. Where government has not yet responded to work from the NIC, we recommend that as part of the Annual Monitoring Report the NIC should provide an update on any changes to the evidence base used to make a recommendation or reaffirm the recommendation and its importance.

Improving capability for 'levelling-up'

7. Capability in infrastructure planning and prioritisation should continue to be built at the subnational level by evolving subnational transport bodies to become subnational infrastructure bodies, tasked with creating regional infrastructure strategies, backed up by spatial strategies.

With 'levelling-up' in mind, strategic infrastructure planning in England is strengthened and made more consistent by having bodies that can provide evidence on improving places through national infrastructure decisions.

⁸ Ministry of Housing, Communities and Local Government (2021) [Planning Act 2008: Guidance on the process for carrying out a review of existing National Policy Statements](#)

⁹ See, for example, Pinsent Masons (2020) [Saving the Nationally Significant Infrastructure Planning Regime](#)

¹⁰ National Infrastructure Commission (2021) [Behaviour Change and Infrastructure Beyond Covid-19](#)

Subnational transport bodies are focused on place-based outcomes rather than siloed infrastructure funding streams. Improving this core pillar of the infrastructure planning and prioritisation architecture would facilitate a more integrated and place-based approach to infrastructure provision at the regional and local level.

Given the urgency of the coming decade's major challenges, particularly the net-zero carbon emissions target, there will be little time to waste. Strengthening the ability for the infrastructure planning and prioritisation system to get it 'right first time' is imperative and a stronger role for sub-national actors and decision making is essential.

About ICE

Established in 1818 and with over 96,000 members worldwide, the Institution of Civil Engineers exists to deliver insights on infrastructure for societal benefit, using the professional engineering knowledge of our global membership.

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