

## **Comment on the Armit Report**

### **Confederation of British Industry**

#### **CBI responds to Armit infrastructure report**

<http://www.cbi.org.uk/media-centre/press-releases/2013/09/cbi-responds-to-armitt-infrastructure-report/>

5 September 2013

The CBI responded to a report by Sir John Armit, Chairman of the Olympic Delivery Authority, on how to deliver the UK's future infrastructure requirements.

Katja Hall, CBI Chief Policy Director, said: "The World Economic Forum downgrade of UK infrastructure competitiveness sends a clear message that we need to rise above the parliamentary cycle to take some important strategic decisions to plan for the next 30 years.

"An independent Commission would ensure that politicians could no longer duck the difficult infrastructure questions which our long-term economic prosperity depends on.

"But we do need to make sure that if an independent Commission were to be introduced it wouldn't cut across decisions already underway, like the Davies review of aviation.

"This report is a thoughtful contribution to the debate about the UK's long-term infrastructure needs and should be considered by all political parties."

### **Trades Union Congress**

#### **TUC welcomes calls for a national infrastructure commission**

<http://www.tuc.org.uk/economic-issues/tuc-welcomes-calls-national-infrastructure-commission>

5 September 2013

The TUC has today (Thursday) welcomed calls by the former chairman of the Olympic Delivery Authority, Sir John Armit, for the government to establish an independent National Infrastructure Commission.

TUC General Secretary Frances O'Grady said: 'Building a national consensus on future infrastructure makes huge sense and the government and employers should respond positively to these proposals.

'The TUC stands ready to play our part in making the case for infrastructure that can boost growth, rebalance the economy and put in place the change we need to decarbonise our energy supply.

'As well as beginning to address our long-term investment shortfall a well-worked through plan would also give the government the right tools to speed up investment to give the economy a boost.'

### **Federation of Small Business**

#### **UK needs an integrated transport strategy, says FSB**

5 September 2013

Responding to the publication today of Sir John Armit's infrastructure review, Federation of Small Businesses National Policy Chairman Mike Cherry said: "The Federation of Small Businesses has long called for a proper integrated transport strategy. We want all political parties to take a long-term strategic view of transport, energy and broadband infrastructure, so we therefore welcome Sir John's review.

"In particular, to ensure delivery, we want all parties to hard-wire targets for major project contracts and sub-contract opportunities to small firms, coupled with business support to help them bid for and win work."

### **British Chambers of Commerce**

#### **Infrastructure Commission could put an end to 'Stop-Start Britain', says BCC**

<http://www.britishchambers.org.uk/press-office/press-releases/infrastructure-commission-could-put-an-end-to-'stop-start-britain',-says-bcc.html>

Dr Adam Marshall comments on the publication of John Armit's independent review on infrastructure planning.

"Infrastructure allows British business to function. Yet for too many decades, we've seen plan after plan, strategy after strategy – but little delivery on the ground.

"Sir John Armit is one of the few people in Britain who knows what it really takes to deliver a major project, and his new report sets out some welcome ideas on how to break our infrastructure logjam.

"An independent infrastructure commission could help end what we call 'Stop-Start' Britain, and promote greater business investment. Our infrastructure needs, from roads to rails to airports to major energy projects, should be assessed by real experts. Politicians should be in the hot seat to deliver infrastructure projects, rather than just debating it endlessly."

## Green Alliance

### **Infrastructure planning needs technocrats, but don't forget the politics**

6 September, 2013

This post is by Matthew Spencer, director of Green Alliance, and Julian Morgan, chief economist at Green Alliance.

Technocrats get a bad rap. In the media stereotype, they are calculating micro-managers, bent on controlling the world with little understanding of how it really operates. Yesterday, Sir John Armitt set out a more interesting view of a technocratic commission, peopled by wise, forward thinking public servants set on preparing the UK's infrastructure for the 2040s. We think it has strong merit, and could help to drive the transition to a lower carbon, smarter UK economy. The fact that Armitt has recognised that carbon and sustainability impacts have to be a central criteria for the commission is a great start.

#### *Armitt's review helps to explain slow progress on low carbon infrastructure*

Armitt's review of infrastructure for the Labour Party identifies such a long list of shortcomings that it is a wonder that anything ever gets built. Strategic planning, long term thinking and political consensus have all been conspicuous by their absence, much to the despair of the business community. No surprise then that the infrastructure that emerges from this haphazard process is highly unlikely to represent value for money for the taxpayer, or be fit for the challenges of the 21st century. It also helps to explain why the largest chunk of UK infrastructure, low carbon energy, is being built too slowly.

Armitt's solution is to develop a National Infrastructure Commission (NIC) which would have the job of identifying the UK's long term infrastructure needs and publishing proposals in an evidence-based assessment. Parliament would then vote on these proposals and, once agreed, the NIC would monitor the plans developed by the government to meet them. Naturally, the government of the day could reject the proposals of the NIC, but the assumption is that the political costs of doing so would be high, as such behaviour might smack of short term political opportunism.

#### *Will shifting from ministerial preference to technocratic mandate work?*

A technocratic solution to problems of short termism is hardly new. Macroeconomic policy making has been steadily put in the hands of technocrats, usually by newly elected governments wishing to establish their credibility. Operational independence for the conduct of monetary policy was given to the Bank of England by the new Labour administration in 1997, while the coalition set up the Office for Budgetary Responsibility in 2010 to allow technocratic scrutiny of fiscal policy.

The appeal of executing a similar shift from ministerial preference to technocratic mandate to help stabilise infrastructure policy is obvious, but will it work? The technicalities of monetary policy and quantitative easing can seem distant from most people's concerns, so removing these decisions from ministers is a simpler proposition than it is for energy and transport infrastructure.

A forward thinking technocratic commission could help improve the UK's infrastructure delivery and provide much needed support for the long run challenge of decarbonisation which tends to get discounted by short termism.

*Technocratic function and public engagement should be combined*

But there are two big caveats. The first is that the commission does not aim to remove the politics from infrastructure, but instead embraces it. As one Labour MP noted in response to the review, the UK "is not China" so getting the politics out of infrastructure is neither possible nor desirable.

The Armitt model relies entirely on parliament for its democratic mandate, but public faith in representative politics is at an all time low. Whipping a vote through Westminster will provide little protection for infrastructure projects that are unpopular, and where the public feel their views have not been heard.

If the commission is to be effective it should combine a technocratic function with a programme of deliberative democracy where the public is engaged in debating the infrastructure choices available to the UK. The French National Infrastructure Plan and National Commission for Public Debate have used public hearings and evidence sessions to do this with great success.

It's important to remember that infrastructure is a means to an end

The second caveat is that the commission needs to be clear that infrastructure is a means to an end, and that, to avoid perverse economic effects, it should be able to consider other means to the same end. If it is more cost effective to introduce smart transport software to our cities than to build new train lines or roads it should say so. If a bigger electricity saving programme can avoid new power line construction, it should have the remit for this to be included in its infrastructure plan.

Sir John Armitt and his colleagues have produced a strong case for a new infrastructure institution and it appears to be attracting cross-party interest. It should improve the reputation of technocrats and stabilise political support for infrastructure.

If it is to increase public support, the commission will also need a commitment to public deliberation. The onus is now on Labour, which set up the review, to make sure that it has stronger public accountability and the ability to be imaginative about what the UK economy might need to be successful and resilient in 30 years' time.

## **EEF – The Manufacturers’ Organization**

### **Armitt Review on infrastructure planning – halfway there**

<http://www.eef.org.uk/blog/post/Armitt-Review-on-infrastructure-planning-e28093-halfway-there.aspx>

5 September 2013

The challenge of planning and delivering long term infrastructure requirements in Britain is often blighted by an overly political debate where both sides throw selective evidence at each other to back up their point of view.

Two examples highlight this:

- The poor evidence base for High Speed 2 with the political consensus for the project fraying in recent months and
- Britain's future aviation capacity needs with the Davies Commission being asked to report after the next election, delaying progress on this issue even further

This underlines the need for a body to look strategically at the country's infrastructure requirements over a long time period. The Armitt Review published today picks up on these issues and we welcome the call for a National Infrastructure Commission (NIC) tasked with setting out a long term view on strategic infrastructure priorities.

The Armitt Review had a clear remit:

- To outline an institutional structure that would best support long term strategic decision making and
- To suggest how cross party consensus on this could be forged.

The Review recommends that the NIC would produce, each decade, an evidence based assessment of the UK's significant national infrastructure needs over a 25-30 year horizon. This assessment would then be passed to government to receive Parliamentary approval. Once received Departments would be tasked with developing sector plans (e.g. for energy, transport etc.) to implement the national infrastructure assessment and these plans would be subject to Parliamentary approval.

The NIC would comment on how fit for purpose sector plans are and subsequently on an annual basis comment on how effective departments are implementing these.

While the Review outlines an effective institutional way forward, more work needs to be done on how best to forge a cross-party consensus.

The Review confuses the requirement for Parliamentary approval as a proxy for cross-party consensus.

The Review recommends the NIC should submit their National Infrastructure Assessment to government and within six months government (or more specifically the Chancellor) would submit this to Parliament along with amendments and the rationale behind these amendments. By virtue of being in government the Opposition could simply be ignored and the Assessment approved by Parliament without any cross-party consensus.

A different approach may work better; the NIC should be established as a Parliamentary Body. In line with other such bodies such as the National Audit Office it would have a clear role in reporting and being accountable to Parliament and play a greater part in all major discussions on infrastructure strategy and priorities.

A 'statutory footing' is often seen as enough to safeguard new expert bodies, however in reality any incoming government can simply repeal the relevant legislation. Getting infrastructure strategy and priorities right is such an important issue that we believe solutions will need to go even further than just the usual methods.

### **Institute of Public Policy Research**

#### **Sir John Armitt's Review: London 2012 Olympics Proves UK Can Fix Infrastructure Problems**

<http://www.ibtimes.co.uk/arnett-review-infrastructure-projects-labour-growth-jobs-503897>

5 September 2013

Britain should create an independent commission to analyse the country's many infrastructure problems and monitor government plans to tackle them, according to a review by the man who built the London 2012 Olympic Games venues.

Sir John Armitt, who was chief of the Olympics Delivery Authority and was commissioned to do the review by the Labour party, said a new National Infrastructure Commission (NIC) should be given statutory independence and conduct once-a-decade assessments of the country's long-term infrastructure needs, before working with the government of the day to develop plans.

The NIC should then oversee the delivery of the government's plans, monitoring and assessing their progress.

"Over the last 40 years UK infrastructure has fallen behind the rest of the world and is increasingly struggling to cope with the demands we make of it," said Armitt.

"An infrastructure fit for the future must now be a national priority alongside education and health and a new independent National Infrastructure Commission is a way of delivering this improvement with the vital support of the public and politicians of all parties."

He added: "London 2012 proved we are capable of planning and delivering complex and innovative infrastructure projects with local and national cross-party support. We did it right for the Games and now we need to apply the lessons we've learned to other areas and services we need to improve to cope with the challenges ahead."

#### *Details of Review*

The review concluded that vital projects were needed as the Office for National Statistics forecasts the UK's population will grow to over 73 million by 2035.

Two issues have dogged positive political progress, says Armit's review. They are policy uncertainty and a lack of strategic guidance provided by successive governments for many decades.

These could be rectified by a commission that could produce a National Infrastructure Assessment that would look at the scale of investment the UK needed to maintain its long-term competitiveness.

The National Infrastructure Commission with its statutory mandate would have its recommendations debated and voted on in both houses of parliament.

Following parliamentary approval, government departments would then be assigned and given licence to pursue specific projects.

The commission would provide a critical view of both the government's record in delivering the legislation and parliamentary procedure in holding the government to account.

Such statutory power and responsibility of a commission would ensure that large and complex infrastructure projects would not be derailed by the electoral cycle, the review argued.

#### *Armit Review Welcomed*

A leading UK thinktank, the country's biggest business lobbyist, and the Trades Union Congress (TUC) have all welcomed the Armit Review.

"Underinvestment in infrastructure has been an important element of the UK's poor historical record on investment spending. As a result, much of the UK's infrastructure is now creaking," said Tony Dolphin, chief economist at the Institute for Public Policy Research (IPPR).

"The independent National Infrastructure Commission proposed by Sir John would represent a significant improvement on current arrangements, enabling projects to be prioritised and ensuring a degree of pressure on government to improve its record on delivery."

Meanwhile, the Confederation of British Industry's Chief Policy Director Katja Hall said that an independent Commission would ensure that politicians can no longer avoid difficult infrastructure questions.

"This report is a thoughtful contribution to the debate about the UK's long-term infrastructure needs and should be considered by all political parties," she said.

Frances O'Grady, general secretary of the TUC, said building a national consensus on future infrastructure "makes huge sense and the government and employers should respond positively to these proposals."

"The TUC stands ready to play our part in making the case for infrastructure that can boost growth, rebalance the economy and put in place the change we need to decarbonise our energy supply," said O'Grady.

"As well as beginning to address our long-term investment shortfall a well-worked through plan would also give the government the right tools to speed up investment to give the economy a boost."

### **Royal Institute of Chartered Surveyors**

#### **Infrastructure: the long and short of the Armitt Review**

<http://www.rics.org/uk/knowledge/news-insight/comment/infrastructure-the-long-short-of-armitt-review/>

5 September 2013

Having a long-term vision for infrastructure that goes beyond the political power play of the election cycle would be a valuable tool in driving sustainable economic growth to the UK.

Sir John's recommendation of an independent infrastructure commission to develop and monitor the delivery of infrastructure needs of the UK would bring confidence to the industry, attract investment and provide a clear and targeted project pipeline.

However, we must also focus on delivery in the here and now. RICS calls on the government to break down blockages to current infrastructure projects, put in place the mechanisms to enable the efficient delivery of stalled projects, and to make the repair, maintenance and upgrading of the UK's current transport and energy network a priority.

Any commission, in the short or long term, must have the authority and the teeth to challenge the government of the day on project priorities and delivery timelines. If the UK is to build its global competitiveness, the focus must be on ensuring all projects are delivered at an Olympics-like pace – authorised, funded and implemented at speed, on time and on budget.

Both the public and private sectors would need to lead such a proposed commission, which should consider the whole life cycle of infrastructure. To achieve its goals the commission would need at its core industry and government-endorsed professional standards, guidance, qualifications and training, such as those offered by RICS.

### **Institution of Civil Engineers**

#### **Armitt infrastructure proposals should be adopted by main parties**

<http://www.ice.org.uk/News-Public-Affairs/ICE-News/Armitt-proposals-should-be-adopted-by-main-parties>

5 September 2013

Commenting on the infrastructure review published this morning by Sir John Armitt, Nick Baveystock, ICE Director General, said:



'The clash between the need for long term strategic infrastructure planning and the nature of short term political cycles has for too long been a hindrance to delivering the infrastructure we need, when it is needed and at price we can afford. An independent commission tasked with identifying the best options for meeting the priorities approved by parliament, at arm's length from government, is a concept ICE has championed and could help to ensure projects stand above political fault lines. We therefore support Sir John's proposals and hope they are adopted by the main parties.

'The Commission is not however a magic bullet – a web of other organisations, rules and established practices affect how our infrastructure is developed and further reforms will be needed.'

### **Royal Town Planning Institute**

#### **RTPI welcomes the Armit Review of long term infrastructure planning**

<http://www.rtpi.org.uk/briefing-room/news-releases/2013/september/rtpi-welcomes-the-armitt-review-of-long-term-infrastructure-planning/>

5 September 2013

The RTPI is greatly encouraged that the Review has considered and adopted many of the proposals put forward in our initial consultation response in January 2013, including its emphasis on the need for strategic infrastructure projects to be planned "in parallel, rather than looking at individual sectors in isolation". Additionally, we strongly agree with the report's focus on increasing investor and stakeholder confidence in infrastructure plans through evidenced-based, long-term projections of demand and the required setting out of sources of funding and implementation timeframes for projects.

Also, and in-line with one of our key policy aims, we are pleased to see the report recommend the consideration of a wider range of input factors in the assessment of infrastructure requirements, including forecasts of housing demand, and how such strategic elements directly impact the nation's infrastructure needs.

Richard Blyth , RTPI Head of Policy, Practice & Research, said: "The RTPI believes that effective planning is a key catalyst in promoting economic growth and is pleased that the Armit Review recognises the essential role of planning when considering the UK's current and future infrastructure provision."

## **Campaign to Protect Rural England**

### **Armitt Review of Infrastructure: CPRE urges caution**

<http://www.cpre.org.uk/media-centre/latest-news-releases/item/3408-armitt-review-of-infrastructure-cpre-urges-caution>

4 September 2013

The independent Armit Review of Infrastructure is launching its final report at the Royal Academy of Engineering on 5 September. This will set out recommendations to improve the UK's long-term planning and delivery of major infrastructure for energy, transport and possibly telecommunications and housing.

Ralph Smyth, Senior Transport Campaigner for CPRE says:

'Increasingly decisions on major infrastructure are being justified on the somewhat tenuous basis of a "global infrastructure race". This is not the right way to plan effectively. Putting infrastructure planning on a proper long-term footing is infinitely preferable than simply trying to "keep up with the Joneses". Also, we should not forget the lessons of the Infrastructure Planning Commission, an unelected body that had to be disbanded shortly after it was set up.'

CPRE is issuing two tests in advance of the report, one procedural and one substantive:

- Will the review's proposals mean another head on collision between the infrastructure and localism agendas? We should learn from the new French system of infrastructure planning and make sure there is genuine public participation at a stage when all options are still open.
- Will the review's proposals prioritise big kit infrastructure over genuinely sustainable development? The review needs to recognise the need for managing demand as well as supplying new infrastructure. Simply building new infrastructure is not going to tackle long-term problems such as climate change or congestion.

Ralph Smyth concluded: 'We need better processes for delivering the infrastructure the country needs. But in a small, crowded and democratic country it is vital that major decisions are taken following meaningful public engagement, including proper consideration of alternatives. Any attempt to impose big schemes will result in a backlash, making it far harder to get the right decisions made. We hope that Sir John Armit and his colleagues recognise this.'

## **Deloitte**

### **Deloitte comments on Armitte review of infrastructure**

[http://www.deloitte.com/view/en\\_GB/uk/industries/eiu/98de1f7496ee0410VgnVCM2000003356f70aRCRD.htm](http://www.deloitte.com/view/en_GB/uk/industries/eiu/98de1f7496ee0410VgnVCM2000003356f70aRCRD.htm)

5 September 2013

Commenting on the proposals outlined in the infrastructure policy review by Sir John Armitte, Nick Prior, head of infrastructure at Deloitte, said: “The proposals put forward by Sir John Armitte hold some promise for improving the delivery of infrastructure in the UK.

“However, infrastructure needs to be part of a much wider and longer term economic plan for the UK – it is not an end in itself.

“Sir John is right to highlight the success of London 2012 and the importance of building cross-party consensus for infrastructure. London 2012 was planned and delivered over 8 years and three separate governments.

“Otherwise, debate and politicking will continue to hold up the delivery of the projects crucial to our economic recovery and growth.”

## **KPMG**

### **Armitte Review offers ‘blueprint’ for future UK infrastructure development, says KPMG**

<http://www.kpmg.com/uk/en/issuesandinsights/articlespublications/newsreleases/pages/armitte-review-offers-blueprint-for-future-uk-infrastructure-development-says-kpmg.aspx>

Richard Threlfall, KPMG’s Head of Infrastructure, Building and Construction comments on the findings of the Independent Armitte Review of Infrastructure, published today:

“If implemented the Armitte Commission proposals will provide a sound basis for the long-term planning of the UK’s infrastructure.

“The proposed National Infrastructure Commission paves the way for a dispassionate and evidence-based assessment of the UK’s infrastructure need, and a blueprint for future infrastructure development. Only with the clarity of a long-term infrastructure plan will we unlock the more than £40bn per annum of public and private money the UK needs to invest in its infrastructure to remain competitive in the global economy.

“The proposed Commission would also balance long term infrastructure planning in an independent body and democratic accountability through periodic reporting to Parliament. Those who have sought to argue that long-term planning conflicts with democracy should note the successful models in Australia, Singapore and Canada on which the report draws.

“A National Infrastructure Commission is of course only part of the answer to the UK’s infrastructure challenge. Alongside we need a more generous compensation regime for those directly affected by new roads, airports, power stations and waste facilities, and a wholesale reform of how Government evaluates the costs and benefits of schemes, so that we prioritise the projects that create the most jobs and boost the UK’s competitiveness.”

Alan Buckle, Partner at KPMG and member of the Armitte Commission advisory panel comments: “The report focuses attention on the urgent need to overhaul our approach to investment in our transport, energy, water and telecoms networks. Too many investment decisions have been put off in recent years, so that today we are, for example, on the edge of a crisis in terms of energy generating capacity. Modern infrastructure is essential to the UK’s future prosperity and the proposed National Infrastructure Commission offers a long-term and accountable approach to infrastructure planning.”

### **The Telegraph (UK)**

#### **An infrastructure commission is a road the UK needs to take**

<http://www.telegraph.co.uk/finance/economics/10290062/An-infrastructure-commission-is-a-road-the-UK-needs-to-take.html>

5 September 2013

Flick back through the archives and you’ll find politicians rowing over where to build Britain’s next full-length runway, going back to before the Second World War.

The hot air they’ve expended has not done a lot for climate change – or, for that matter, in addressing the subject in hand, as the chronic overcrowding at Britain’s main hub airport, Heathrow, goes to show.

No sooner has one government come up with a solution, than the next one to be elected rips it up. The most recent example of this was the aviation White Paper published in 2003, which recommended new runways at Heathrow and Stansted. Their findings were rejected by David Cameron, who feared an election backlash in areas where the Conservatives could not afford to alienate swing voters.

The upshot is that big projects fall by the wayside and Britain continues to slip down the World Economic Forum’s rankings for overall quality of infrastructure. Currently, the UK is lying 24th; embarrassing for a G7 nation.

There has been no shortage of reports identifying this problem. But few have had quite the positive reception from business as the latest from Sir John Armitte, one of the architects of last year’s London Olympics in his role as chairman of the Olympic Delivery Authority.

His key recommendation is music to the ears of anyone fed up with endless political drift: he wants Britain to set up an independent National Infrastructure Commission, empowered to look 25 to 30 years ahead and recommend which energy, transport, water and telecoms projects we need to build. In short, he wants to take long-term infrastructure planning outside the five-year electoral cycle, removing from the equation MPs, who are more worried about keeping their seats than taking tough decisions.

### **The Telegraph (Leader Column)**

#### **Take warring politicians out of infrastructure planning, says Olympics chief John Armitt**

<http://www.telegraph.co.uk/finance/economics/10287504/Take-warring-politicians-out-of-infrastructure-planning-says-Olympics-chief-John-Armitt.html>

5 September 2013

Britain should set up an independent commission to plan long-term infrastructure projects that cannot be derailed by political infighting, the UK's former Olympics chief will say on Thursday.

Launching a new report into how to rebuild the country's crumbling transport, energy, telecoms and water infrastructure, Sir John Armitt will call for the establishment of a new National Infrastructure Commission charged with evaluating the UK's needs 25 to 30 years out.

Sir John, the former Network Rail boss who chaired the Olympic Delivery Authority for the 2012 Games, was asked by shadow chancellor Ed Balls to review how Britain could improve its poor record of project planning and delivery. Last year, in its report on global competitiveness, the World Economic Forum ranked the UK 24th for the overall quality of its infrastructure.

The Armitt review's key recommendation is for a properly independent body, along the lines of the Office of Budget Responsibility or the Committee on Climate Change, that would take the electoral cycle and political cowardice out of big infrastructure decisions.

The new commission would assess Britain's needs every 10 years, with the Government obliged to put the key recommendations to a parliamentary vote within six months.

Once projects were approved, Government departments would have a year to draw up comprehensive plans on how schemes would be delivered. That would include sources of funding, timeframes and the vehicles to be used to build the project.

The Armitt review is highly critical of the Government's current National Infrastructure Plan, which it dismissed as "not strategic" and "essentially a list of projects which is not built up from an evidence-based assessment of the UK's long-term needs".

Sir John said: "Over the last 40 years UK infrastructure has fallen behind the rest of the world. London 2012 proved we are capable of planning and delivering complex and innovative infrastructure projects with local and national cross-party support."

Mr Balls said: "For decades successive governments have too often ducked and delayed the vital decisions we need to make."

Britain's continuing failure to deliver new hub airport capacity is a case in point, with 2003's aviation white paper calling for new runways at Stansted and Heathrow opposed by the incoming Coalition on fears of an electorally damaging backlash by local residents.

Steve Radley, director of policy at the EEF manufacturers' association, said: "We need to take the political wrangling out of important infrastructure decisions, take a long term view of strategic priorities and get the key projects delivered faster."

"For too long, political prevarication and policy reversals have left Britain in the slow lane in developing our roads, rail networks and our airports. The poor evidence base and fraying political consensus for HS2, and the fudging of key decisions on increasing our airport capacity show that things need to change."

He added that any new commission "must have cross-party backing and report to Parliament".

Katja Hall, chief policy director at the CBI employers group, said: "An independent commission would ensure that politicians could no longer duck the difficult infrastructure questions which our long-term economic prosperity depends on."

She added that the new body should not "cut across decisions already underway, like the Davies review of aviation".

Tony Dolphin, chief economist at the IPPR think tank, said the Armitte proposals would be a "significant improvement", adding: "The Government's National Infrastructure Plan amounts to a wish-list of projects that it would like to see delivered, but – with over 80pc of the pipeline having to be funded by the private sector – it falls far short of a plan for delivering them."

The Armitte review advisory panel also includes former transport secretary Lord Adonis, ex-Bank of England deputy governor Rachel Lomax and Sir David Rowlands, the former permanent secretary at the Department for Transport.

## **Financial Times**

### **Call for cross-party body to drive infrastructure projects**

<http://www.ft.com/intl/cms/s/0/981afb30-1586-11e3-b519-00144feabdc0.html?siteedition=intl#axzz2oLRep7Hj>

Business groups have hailed a report published on Thursday by Sir John Armitte, former Olympics chief, calling for a new independent national infrastructure commission to set out "clear priorities" for big projects.

Mr Armitte's review on behalf of Labour represents a rival vision to that of another one-time Olympics executive – Lord Deighton – who is now the coalition's infrastructure minister.

The efforts of the former colleagues, who are close friends despite straddling the political divide, reflect growing business frustrations. Many executives have been left disheartened at the sluggish progress of schemes such as high-speed rail, new toll motorways and nuclear power stations.

The CBI, the business lobbying group, welcomed the Armit review and its message that “we need to rise above the parliamentary cycle” to make strategic decisions.

The time had come to stop “ducking” difficult infrastructure questions, said Katja Hall, chief policy director at the CBI.

Steve Radley, director of policy at the EEF, the manufacturing organisation, agreed that it was essential to “take the political wrangling” out of such decisions.

Yet others cautioned against hopes that a cross-party commission could somehow sweep away the hurdles against projects getting built.

“It’s a great idea to get the politics out of infrastructure decisions until you think about it. We’re not China,” said one Labour MP. “There will always be politics around big projects in a democracy, you can’t just build a nuclear power station in someone’s garden.”

Ralph Smyth, transport campaigner for the Campaign to Protect Rural England, warned of a “backlash” if authorities tried to impose unwanted schemes. “In a small, crowded and democratic country it is vital that major decisions are taken following meaningful public engagement,” he said.

Senior Labour figures who commissioned the review are themselves divided over certain major projects such as Heathrow and HS2.

Sir John is former chair of the Olympic Delivery Authority while Lord Deighton is former chief executive of the games’ organising committee.

But Sir John, writing in the FT, said the UK had risen to the challenge in 2012 because it was in the global spotlight. “We can’t renew our national infrastructure network for the next generation by repeatedly holding a gun to our own heads in this way.”

A project such as HS2 – building a £43bn train line through virgin countryside – is a more politically controversial prospect than the Olympic Park regeneration scheme.

Sir John’s idea of an independent commission has echoes of the neutral Infrastructure Planning Commission set up by the last Labour government. This body was scrapped soon after the coalition came into power.

His new plan proposes that a “national infrastructure assessment” be carried out every 10 years with a Commons vote on priorities. “Parliament would still have to have the final say,” said an aide to Ed Balls, shadow chancellor.

Lord Deighton is meanwhile ripping up the coalition’s “National Infrastructure Plan” – which listed 500 projects worth £310bn – and trying to “convert the pipeline into a programme.”

David Gauke, a Treasury minister, said Labour had failed over 13 years to address Britain’s infrastructure challenges, in contrast to the coalition.

The great success of the London Olympics – that the venues were built ahead of time and under budget – is something politicians on all sides hope can be repeated in future years as the UK embarks on a wave of new infrastructure projects, writes Roger Blitz.

But is it really possible to pull off the same trick again? As Tony Travers of the London School of Economics pointed out, the task of preparing the London games created a unique set of circumstances.

“The Olympics boiled down to political consensus plus money plus a time limit which equalled instant results,” he said.

Once the closing ceremony was over, it was inevitable, even vital, that those who were central to the games’ success would be retained in some capacity by the coalition government and the opposition.

Paul Deighton and John Armitage were two of the handful of individuals most involved in Olympic preparations. The former was the chief executive of the London organising committee, the latter chairman of the Olympic Delivery Authority.

Now bestowed with honours from a grateful nation, Lord Deighton and Sir John, after seven years of close collaboration, find themselves in opposite camps, each drawing up a blueprint for how Britain can deliver infrastructure projects with the alacrity and purpose achieved for the Olympics.

They do so, Mr Travers said, at a time when chancellor George Osborne and the Labour party have both signalled that they want to tilt the balance away from public sector consumption towards public sector investment.

It is unlikely that Lord Deighton and Sir John will draw up radically different approaches. The problem is what the politicians do next.

“As with so many aspects of policy, political parties with broadly the same approach then strive to look different while doing something quite similar,” Mr Travers pointed out.

Many of the two men’s recommendations are likely to draw on the good working practices developed during Olympic preparations. But the key missing ingredient is the lack of a hard deadline, which cut through Whitehall bureaucracy and gave unprecedented speed to decision-making.

Will Lord Deighton and Sir John, both life-long businessmen who previously had little time for the machinations of politics, come to regret working at close quarters with the political classes?

Mr Travers said both men probably recognised that in five or 10 years’ time there may be fewer grand infrastructure projects completed than they would have hoped. But it would be enough for them just to have achieved a new approach on how to get things done.

“They probably see this as a drip-drip exercise to change a political culture. If they can achieve that, they won’t regret it,” he said.



**FT (Op ed by Sir John Armitt)**

**A successful Britain needs an ambitious infrastructure strategy**

<http://www.ft.com/intl/cms/s/0/85cba2ec-1575-11e3-b519-00144feabdc0.html#axzz2oLRep7Hj>

There is broad agreement that the UK has failed adequately to modernise the infrastructure crucial to our future economic success and quality of life. We have yet to settle, however, on what we are going to do about this as we face challenges such as population growth and climate change.

London 2012 proved Britain can plan and deliver major infrastructure projects. In that case, as Olympic Games hosts under the global spotlight, we had no choice but to get our act together. But we cannot renew our national infrastructure network for the next generation by repeatedly holding a gun to our own heads in this way.

Ed Balls, the shadow chancellor of the exchequer, asked me to assemble an expert advisory panel to propose a way of removing the uniquely British barriers to rational decisions on infrastructure. I have set out clear steps towards this on Thursday.

A new, independent national infrastructure commission should be set up as soon as possible to look 25-30 years ahead at the evidence for the UK's needs across all significant national infrastructure as a combined network. It is 30 years since the UK has had an infrastructure strategy, and as a result most projects stop, start, slow or collapse around the political cycle. Lack of certainty scares off investors and stops companies building the expertise and equipment to deliver.

The permanent commission is designed to win national and local cross-party political consensus, public support and investor certainty for long-term decisions on energy, transport, water, waste, flood defence and telecommunications needs. This is ambitious but achievable if we can rediscover the confidence and collaboration our Victorian ancestors showed to deliver the roads, railways, sewers and water networks we use today.

There is no time to wait. Within three years of being set up, the permanent commission would complete the UK's first comprehensive assessment of the nation's 25-30 year infrastructure requirements, producing a set of clear priorities and objectives. To prevent us falling behind again, this national infrastructure assessment would be carried out every 10 years through extensive research and consultations with the public, local and national government, non-government organisations, regulators and anyone with an interest. The priorities would be evidence-based. The commission could, for example, prioritise the need for energy supplies to meet demand and environmental obligations at an affordable price.

Britain has proved in the past outstanding infrastructure can also be delivered in a democracy with clear vision, just as well as in an autocracy. The commission's robust recommendations, taken forward within a firm parliamentary timetable, will enable the country to make and stick to long-term decisions on the infrastructure we need.

All national parties will be consulted on the setting up of the commission; and, within six months of being assessed, its national priorities must win the backing of both houses of parliament. Tough decisions will not be allowed to slip conveniently past the next election.

Within 12 months of parliament endorsing the commission's priorities, government departments would have to form detailed 10-year plans of how they would deliver and fund the projects that meet these priorities in each infrastructure sector. These 10-year plans would also require parliament's support.

The commission will then act as the independent scrutineer of how these plans meet the national infrastructure priorities. It will report annually to parliament and the public on their delivery. The spotlight must be permanently switched on to prevent delay.

There is flexibility in the system – to allow for technological advances, for example – but none for constant indecision. As we have seen on airports and energy supply, our current system leads us towards being our own worst enemy, dodging tough early choices and being forced to play catch-up through rushed and sometimes unpopular decisions.

The commission is not to be the cheerleader for concreting the UK, as some may fear. It will be a lean organisation, focused on the evidence and on views of the future needs of the country, and looking for the smartest, most efficient and best value ways of meeting them. Climate change, sustainability and other national targets will also be built into its assessments.

The current system has failed to help us make rational, evidence-based decisions with popular and political support. We have gone back to the drawing board. The solution is clear and will I trust be urgently given the consideration it deserves.

*The writer is chairman of the Olympic Delivery Authority and former chief executive of Network Rail.*

## **The Evening Standard**

### **Infrastructure is a cross-party question**

<http://www.standard.co.uk/business/markets/anthony-hilton-infrastructure-is-a-crossparty-question-8799632.html>

5 September 2013

Governments these days are too short term and too scared of public opinion to be left in charge of infrastructure.

Take the Coalition's present flagship project, Crossrail, which will, at the cost of many billions of pounds, provide an ultra-fast railway from the eastern suburbs and Canary Wharf underneath central London to Heathrow — the airport this same Government would dearly like to close.

Separately the tunnellers working on Crossrail will shortly finish their task and would then be available to transfer their expertise to the 20-mile-long Hammersmith to Beckton super-sewer which is planned to stop untreated effluent being decanted weekly into the Thames. But government foot-dragging is affecting the approval and financing of this latter project, making it equally likely that it will be delayed.

The Crossrail tunnelling expertise will then be dispersed and lost. Recreating it a few years later for the sewer will be an additional avoidable expense... and people ask why things always seem to cost more to build in this country.

There is, of course, much excellent private sector infrastructure work and the Olympics showed what can be done when we make something a priority. But too often projects fall foul of political indecision and public outcry. Politics is short term and populist; infrastructure building is long term and complex. The two don't mix, with the result that things we desperately need get repeatedly delayed or shelved altogether — new power stations for example — and what we have inherited from our more enlightened ancestors gets increasingly overloaded. Good infrastructure is a great enabler of economic growth; poor infrastructure inhibits it. This entire muddle is not just an inconvenience; it carries a real economic cost.

Step forward Sir John Armitt, successful career businessman and the person who directed the Olympics project. For the past year or so he has been working at the behest of Ed Balls and the Labour Party to report on how we could do infrastructure better. His report published today makes a powerful plea to set it above day-to-day politics — in effect to do for infrastructure what an earlier government did for interest rates with the creation of the monetary policy committee. He thinks we need a cross-party independent infrastructure commission. Its job would be to produce a long-term infrastructure plan which would be free from political chopping and changing and thereby deliver certainty for investors and the people who have to build the stuff.

The mechanics are in essence quite straightforward. The Commission would look at what the country needs over the next 25 years, and set priorities for what has to be built in the next 10. This it would present to the Chancellor who would have within six months to put it to Parliament for debate. The plan as agreed or changed by Parliament would then be divided up between the relevant government departments who in turn within a year would be required to draw up a plan actually to deliver what is required.

On the way, various industry regulators would have to be refocused to support the long-term improvement of infrastructure rather than the short-term focus on price to consumers — on the basis that an efficient industry is very much in the consumers' interest.

The advantage of this is that it would create clarity around what needs to be done, ensure it was properly debated and discussed but would set everyone on a path where things would actually happen — a certainty which would make finance easier to raise and projects cheaper to build.

The fact that this report has been commissioned by the Labour Party should not be used by the Government as an excuse to ignore it because what is suggested would be a huge improvement to what we have at present. Armitt's work was never intended to be partisan — indeed George Osborne was invited right at the beginning to make it a cross-party study but declined because he doesn't like Ed Balls. It is not too late for a change of heart. If the Government finds it impossible to deliver the infrastructure needed, it should give the job to someone who can.

We talk a lot about transformational change but it is quite rare actually to be in on it right at the beginning. Yesterday was such a day when Tungsten, a soon-to-be-listed vehicle backed by Edi and Danny Truell, Michael Spencer and others bought a firm called OB10 which runs what is known as an e-invoicing network. If you want to be a supplier to Tesco, Nestlé or Unilever — all of which are clients of OB10 — you have to agree to register and invoice electronically through the network.

So far so unremarkable. The clever bit is that Tungsten also plans to buy a bank. It will then be in a position to offer online instant invoice discounting to any of these hundreds of thousands of suppliers. It means that any Tesco supplier who wants to be paid as soon as their invoice is approved, instead of wait 60 days, can get 98p in the pound immediately — the money provided by the bank. It is a natural marriage of technology and banking skills which is so easy of use, secure, flexible and cost-effective that it will put conventional invoice discounters in the shade.

But there is more: the third leg of the business is analytics software which can see how much people are paying in different businesses for the same product, so firms can learn if others are buying more cheaply. The potential savings are huge. They did a trial analysis of the purchases of 61 NHS hospitals with a collective spend of £4.6 billion and found that if all hospitals had bought as cheaply as the best did, they would have cut the overall bill by £500 million.

## **The Guardian**

### **UK needs dedicated infrastructure quango, says report**

5 September 2013

Britain needs a dedicated infrastructure quango to tackle the country's congested roads, the threat of power shortages, and the risk of droughts, a review by Sir John Armitt, the Olympics chief, has found.

Armitt recommended an independent commission to plan major projects for future generations, after he was asked by the Labour party to examine the UK's approach to infrastructure.

The chairman of the Olympics Delivery Authority said the UK is currently "struggling" to get companies to build necessary public projects such as roads, airports, power plants and reservoirs. "This is leading to congested roads and airports, the threat of energy brownouts and water shortages," he said.

The aim of a new body would be to "foster long-term economic growth" and produce a 30-year plan once every decade to make sure Britain is thinking ahead about its needs.

Before the report's publication today, Armitt said Britain's major national infrastructure had "fallen behind the rest of the world" over the last 40 years and was "increasingly struggling to cope with the demands we make of it".

He called on politicians from all parties to make infrastructure a "national priority alongside education and health".

"London 2012 proved we are capable of planning and delivering complex and innovative infrastructure projects with local and national cross-party support," he said. "We did it right for the Games and now we need to apply the lessons we've learned to other areas and services we need to improve to cope with the challenges ahead."

Armitt, a former chief executive of Railtrack and Network Rail, was knighted last year and is still in charge of the Olympic Delivery Authority, which is in charge of the legacy of the London 2012 park and venues.

Ed Balls, Labour's shadow chancellor, who commissioned the report, said successive governments have too often "ducked and delayed the vital decisions" on national infrastructure. He urged the coalition to work with Labour to implement Sir John's report.

The Treasury did not comment on the recommendations of the report, but a minister described it as a "massive own goal" by Labour because it acknowledges that the economy was still in crisis when the party left power in 2010.

David Gauke, a Treasury minister, said the review was "an epitaph to Labour's failure over 13 years to address the infrastructure challenges Britain faces".

"This government is clearing up the mess, creating an economy for hardworking people by investing in the biggest programme of infrastructure development since the Victorian era," he added.

## **BBC On Line**

### **UK suffering 'infrastructure drift' says Labour report**

<http://www.bbc.co.uk/news/uk-politics-23967552>

5 September 2013

There was "little evidence" that governments were planning properly for the future, Sir John said. Continue reading the main story

An independent commission should be set up "to end decades of drift and delay on major infrastructure decisions", a Labour-commissioned report has said.

Successive governments have failed to set strategic priorities, the report from Olympic Delivery Authority chairman Sir John Armitage found.

Shadow chancellor Ed Balls urged the government to implement the report as quickly as possible.

But Treasury minister David Gauke said Labour had scored a "massive own goal".

Major infrastructure projects "are often controversial and politicians are rarely in office long enough to see the electoral dividends of major investment programmes", the report said.

*'Victorian pioneers'*

Problems surrounding the planning and implementing of schemes had affected energy policy, airport capacity, road and rail schemes and water projects, it added.

"The Olympics showed what can be done when there is cross-party consensus and a sense of national purpose" Ed Balls, Shadow Chancellor

The report went on: "The Office for National Statistics, for example, forecasts UK population will grow to over 73 million people by 2035.

"However, there is little evidence that governments are planning for the infrastructure we will need by then to support another 10 million people."

It called for the creation of an independent National Infrastructure Commission, appointed by government and opposition parties, to identify the UK's long-term infrastructure needs and monitor the plans developed by governments to meet them.

Sir John said: "We have the Victorian pioneers to thank for the infrastructure that has underpinned the quality of life for our generation.

"It is up to us to lay the ground for the next pioneers who will create the innovative systems and services that will serve future generations."

Mr Balls added: "This excellent report sets out a clear blueprint for how we can better identify, plan and deliver our infrastructure needs.

"The Olympics showed what can be done when there is cross-party consensus and a sense of national purpose.

"Now we need that same drive and spirit to plan ahead for the next 30 years and the needs of future generations."

But Treasury minister David Gauke said: "This is a massive own goal from Ed Balls."

The report was "an epitaph to Labour's failure over 13 years to address the infrastructure challenges Britain faces", he argued.

Mr Gauke concluded: "This government is clearing up the mess, creating an economy for hardworking people by investing in the biggest programme of infrastructure development since the Victorian era."