



Sir John Armitt's speech from NIPA Dinner 2017

In the last ten years the NIPA has become an established voice in the world of infrastructure and planning. It has been an eventful ten years.

In 2008 the Government introduced the IPC and an improved process for the planning and approval of nationally significant infrastructure. Starting with National Policy Statements.

It has subsequently been turned into the Planning Inspectorate but the process has met with general approval with Ministers making decisions within the intended time frame. We also have the National Infrastructure Delivery Plan, the Government listing a large programme of projects it would like to see proceed over a five year period.

In the same period we have had IUK, which became the MPA, and is now the IPA, wonder what's in a name, and most latterly the NIC. The Government has given the NIC a fiscal remit for public expenditure on infrastructure of 1.2% of GDP, a potential of 23% increase on recent levels.

For those of us in infrastructure we are seeing both in the UK and globally a growing demand for infrastructure to meet population growth, economic growth, public expectation, demographic changes and more sustainable solutions to meet climate change challenges.

Cities are increasingly congested with economic and social consequences. The consumer wants better roads, less stress, less crowded trains, clean reliable but cheaper energy, more and more broadband capacity and mobile connectivity.

Interestingly last week IPSOS produced a survey in the UK with rail improvements at the top of public concern just trumping housing. I do wonder who made up their poll sample.

Flooding is rare but disastrous for those effected and number three on the IPSOS survey, the idea of drought and standpipes unacceptable.

At the same time we are struggling to find a solution to the shortage of affordable housing. Yesterday we heard the latest Government proposals, there are some positive initiatives but if it is difficult to see the real impact necessary for the target of 300,000 units / year.

Nobody disagrees that 250-300,000 completions a year are required. As long as supply does not meet demand simple economics will push up prices.

With house prices, in much of the country at least 10 time average wages, prices have to come down to make purchase or rentals affordable and not a massive drain on the quality of life.

Infrastructure and housing are inextricably linked. Crossrail2 in London is expected to unlock the opportunity for 200,000 homes along its route.

The Oxford, Milton Keynes, Cambridge corridor could be the UK's Silicon Valley, a world renowned centre for science technology and innovation. But it cannot be assumed. The NIC study of the corridor revealed a chronic under supply of homes, made worse by poor east – west connectivity.

Investment in infrastructure including new rail and major roads will help but it must be aligned with a strategy for new homes, potentially 1 million by 2050, and communities.

This will require cooperation across local authority boundaries, and the engagement with Local Authorities, with the involvement of LEPS both working in partnership with National Government and National Agencies.

In this corridor and elsewhere across the country current Governance structures are not fit for purpose to meet these critical challenges.

Parochial protectionism cannot be allowed to stand in the way of future generation legitimate needs, but the planning process must be open and transparent and seen to ultimately benefit local communities.

Deals are going to have to be struck between national and local government. It is pointless building new infrastructure if it is not accompanied by local plans for jobs. However these local plans require a clear level of authority at local levels, to be effective this will require devolution of financial control. In 50 years greater and greater control at the centre inevitably leads to loss of local political credibility.

Credibility goes hand in hand with responsibility and there will need to be an act of faith by central Government which is respected by reasonable local Government prepared to make tough decisions for the majority of their electorate.

In the UK today we have a number of pieces of a jigsaw. There is an industrial strategy, there is a NIC supported on a cross party basis with the recognition of the need for long term thinking. There is a recognition cross party that devolution makes sense, there is acceptance of the need to double housing output.

If we put all these pieces together in a coherent way we might stand some chance of avoiding the worst outcomes of Brexit.

It will require leadership nationally and locally. It will require an effective planning process. Spatial planning has to be the starting point. To be effective this cannot be piecemeal.

If we have an industrial strategy for the country why not a national spatial policy which identifies the key areas for development region by region. Once completed it would provide guidance to the work of the NIC.

It would help to address regional inequalities. It would not be easy and will require far greater collaboration than at present.

When the NIC launched its Vision & Priorities document in Birmingham, the elected Mayors of London, Manchester, Birmingham, Bristol and Peterborough & Cambridge assembled in the room for the first time.

The Government currently requires planning decisions be made on a local scale and strategic issues developed on the basis of inter-municipal cooperation. Fine ideas, but without strong mutually respected leadership such as we have seen in Greater Manchester over the last 20 years, unlikely to succeed.

Overall leadership would have to come from DCLG. It could not be a one year initiative. It would require at least five years and if not the reestablishment of the RDAs, then similar bodies combining LEPs and County Councils.

It will require social investment in housing, local debates about the use of the Green Belt, and potentially some release compensated with new designations.

Today less than 10% of all our land is built on including our gardens. With a growing population, growing households, we must have an open mind as to how best we use our land. It cannot be development which relies solely on the private sector. If the housing numbers are to be met there has to in my mind be a form of local authority housing as suggested by Sajid Javid recently.

It may well require Local Authorities and Government to release public land or acquire private land at unpermissioned prices. It will either reduce the cost of housing or the land can be sold on to the private sector and the uplift used for social or transport infrastructure. These are not easy or popular debates and decisions. But we cannot sit on the status quo.

Development must be well designed. Why not a return to the mandatory Parker Morris spatial standards of the 1960's? Their removal in 1980 in order to reduce local authority expenditure was a classic case of thinking only about cost and not long term value.

Although this became somewhat academic with the major drop in local authority house building. But it is not just dwelling design. We must create fine places, fine public buildings. Good design does not have to mean more cost just more commitment.

In short we need a plan. At national level strategically setting out how the regions relate to one another and the expected nature of their place with its emphasis on industry, technology, education, tourism, national parks recreation.

That strategic shape can then be taken forward regionally and locally by local democratic organisations striking a balance between the cities, towns and rural areas of a region. It will not be easy, it will require more open minds from developers, local politicians and local communities alike.

We have had a laissez faire approach since the 1980's. We have an unbalanced country which will not be rebalanced by fine words and hope.

Today I have taken on the Chairmanship of the Thames Estuary Growth Commission. We have to make recommendations on how best to realise the enormous potential of this corridor by next Spring.

As an isolated piece of work it clearly does not fit the longer national plan I have just advocated but hopefully in time it will be a piece of work which does form part of the national jigsaw.

The planning profession has a central role to play. Not only in the detail, but in the policy debates that are inevitable for the powers which will be needed to be developed for effective democratic decision making and delivery.

We cannot allow 1000 mini Heathrow expansion debates to fester for years on end, sucking the air out of opportunities for us to develop the physical assets this country needs to be competitive and enable its citizens to lead a 21st century lifestyle. The latest challenge to Heathrow appears to be emissions, similar concerns are now delaying Silvertown tunnel. But with the move to electric vehicles and the restrictions on diesel it is a brave man who can predict emissions in ten years' time.

At the NIC in our first two years we have produced reports and recommendations on Northern City Connectivity, Smart Power, CrossRail2, Broadband, 5G and the OxCam corridor.

The NIC does not have housing as part of its remit but the OxCam work has shown that we have to acknowledge and use an integrated approach if infrastructure is to achieve its full values. All our recommendations have been accepted in principle by Government.

Next year we will produce our report on the infrastructure challenges out to 2050. We will also produce our first report on the progress we see that Government has made on taking forward our recommendations.

All of our recommendations will have significant impacts, not only in steel and concrete, but equally important in the new networks necessary for distributed power and fibre necessary to enable 5G and autonomous vehicles.

Many of these systems will be delivered by the private sector, road and rail mostly by public sector, but either way they cannot be successfully delivered without an open dialogue with the public on the risks, costs and benefits, but also a recognition that there has to be maximum collaboration between all the stakeholders.

Notwithstanding the fiscal remit for the NIC as the UK we have to acknowledge the real cost gap between the UK and other countries. The productivity of the UK infrastructure and building sector is poor. The problems are well documented.

Lack of front end optioneering, consultation focus on outcomes not inputs. Lack of integration of design and construction, contract conditions which simply pass down risk to the least able to afford or manage it.

Lack of training, lack of major contractors who have the asset base to compete with major European contractors and so important in the context of asset maintenance, lack of whole life considerations and design for ease of operation and maintenance.

It will require Client Leadership to achieve the necessary changes. It is encouraging that a group under the leadership of Andrew Wolstenholme, the CEO of CrossRail have picked up the baton, I wish them well.

So more collaboration at every level of planning, governance and delivery.

I believe the NIPA has a major role to play in enabling this collaboration. Its report with UCL in July on the level of detail assessed in a DCO and the need for balance to ensure flexibility at the delivery stage whilst protecting the interests of stakeholders is a good example of the NIPA exercising its influence.

Today we have a consensus in play which could enable us to raise the quality of life in the UK through better infrastructure and availability of good housing for all. We cannot let the opportunity pass.