

**NATIONAL
INFRASTRUCTURE
COMMISSION**

**Can independent institutions improve
infrastructure planning?**

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June 2017

Introduction

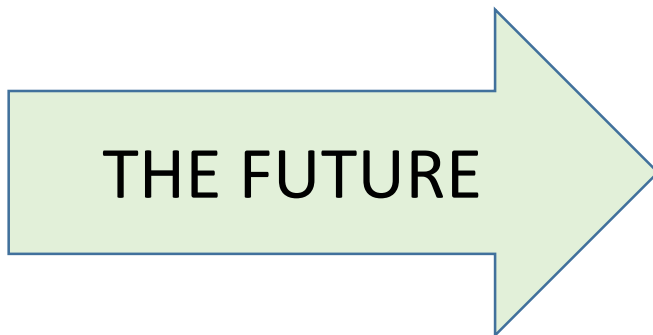
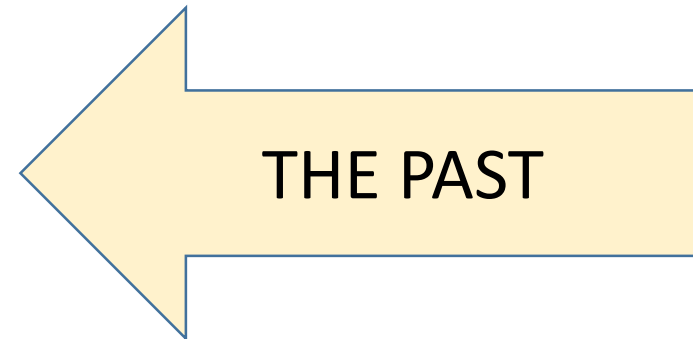
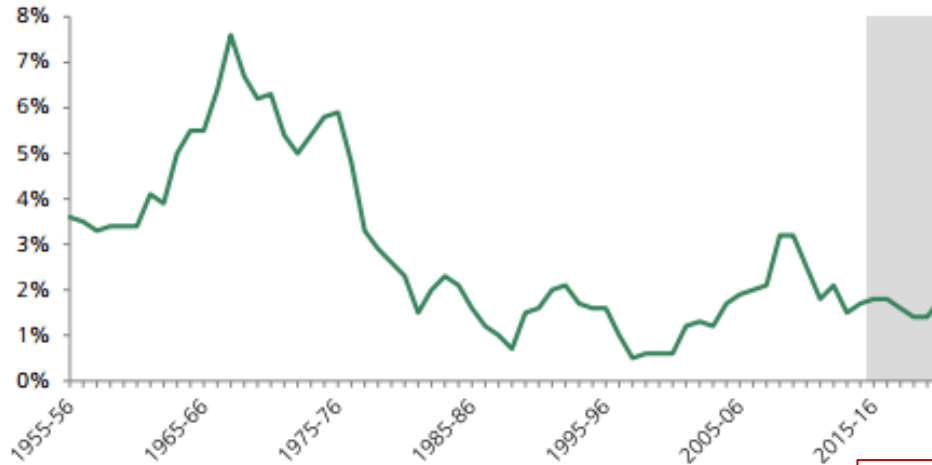
Why do we need independent institutions?

How the National Infrastructure Commission works

Benefits and responsibilities of independence

The infrastructure challenge

Public investment in infrastructure
Public Sector Net Investment as a % of GDP



By 2050 the UK is likely to be...

- 15% (10 million) more people – older and more urban
- GDP per capita 25% higher under pessimistic scenarios
- 80% reduction in CO₂ emissions cf. 1990
- 10 million new homes (330,000 per year)

Growing consensus

The creation of the National Infrastructure Commission (NIC) was motivated by a growing consensus among politicians and commentators that the UK's strategic infrastructure had suffered over recent decades from a legacy of underinvestment and a poor record of long-term planning:



“There is growing evidence that the UK’s infrastructure has not been renewed or enhanced when needed... successive Governments have failed to set strategic priorities for infrastructure based on clear projections of future needs.”

The Armitt Review (July 2014)

“After years of inadequate investment in skills, infrastructure and innovation, there are longstanding structural weaknesses in the economy, all rooted in a failure to achieve stable planning, strategic vision and a political consensus on the right policy framework to support growth.”

LSE Growth Commission (January 2013)



Set up

- Announced Oct 2015, formally constituted Jan 2017
- Agency of HM Treasury, but operational independence protected by Charter
- 10 Part-time Commissioners
- Chair – Lord Adonis, ex-transport minister
- Permanent Secretariat of 35 staff
- Multi-year budget

Objectives of the Commission

1. support sustainable economic growth across all regions of the UK;
2. improve competitiveness; and
3. improve quality of life.

We do this by:

- assessing national infrastructure needs over 30 years
- making recommendations to the government
- monitoring the government's progress

Sectors covered

- Transport
- Energy
- Digital
- Water
- Solid Waste
- Flood risk
- ... and the interactions between these sectors and housing

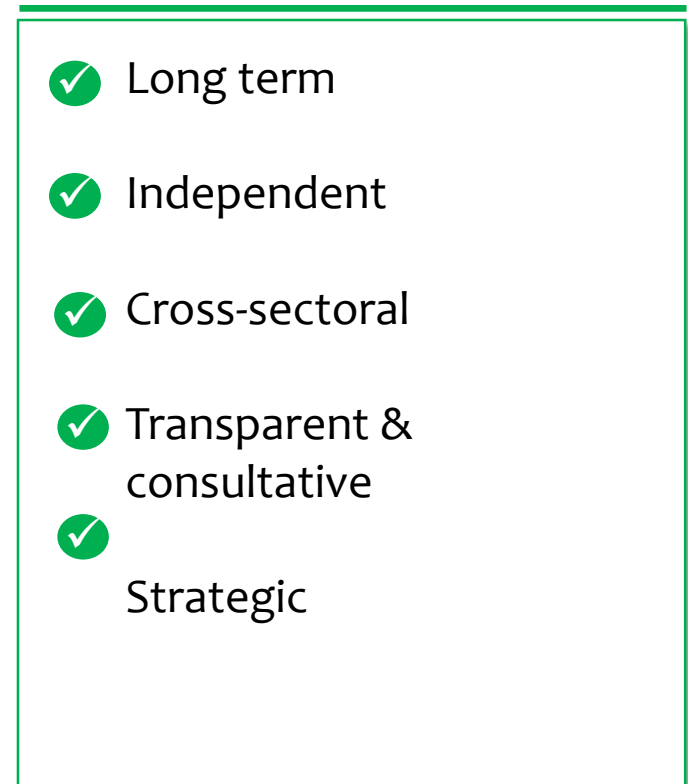


The NIC is a catalyst for a **new** approach

From...



To...



Our work will:

- Set a 30 year context for decisions
- Enable better decisions to be made at a system level, working across sectors
- Be transparent, independent, and based on a robust methodology and evidence
- Operate within a broad fiscal envelope 1-1.2% of GDP

Some of the big questions

What does a decarbonised energy system look like?



How will climate change affect flooding and water supply?



How will autonomous vehicles affect transport demand?



How can we manage demand for infrastructure services?



Advantages of Independence

- Long-term thinking- what's best for the next 30 years not just the next 5
- Silo-busting and strategic
- Unafraid to ask difficult questions
- Rigorous, evidence based
- Existing policy isn't a constraint
- Less affected by political turbulence

Responsibilities – what must we get right

- Credible: high quality analysis and realistic recommendations
- Influential: Our work needs impact and support
- Forward thinking: See beyond the short term and don't get buried in the detail

Conclusion

Can independent institutions improve infrastructure planning?



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