

Sir John Armitt: “The year ahead for infrastructure”

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Sir John Armitt, Chair of the National Infrastructure Commission, has addressed the All Party Parliamentary Group on Infrastructure and offer a look ahead to the high level challenges for infrastructure networks over the next 12 months.

Sir John has noted the importance of sticking to the course of long term plans to lend certainty to supply chains and investors, called for an acceleration of policy design and delivery in key areas. He also noted the need for honesty with the public about the costs of the transition to a lower carbon economy – and the costs of inaction.

His full speech below.

“Talking about the year ahead feels like a risky pursuit when the first seven weeks of 2022 have felt like they have contained more than enough volatility and unpredictability to last us the full 12 months.

Less than nine months ago, when the Commission conducted a survey of the public, the majority of respondents said they were confident that each of our main infrastructure sectors would be fit to meet the

country's needs in 2050.

If we repeated that poll now, I fear those results may not be so encouraging.

Power supply outages and serious flooding incidents following recent storms, Covid-related cuts to train services, and controversy over river pollution have all raised questions about our resilience to climate change and indeed, our response to less foreseeable threats.

The overarching question we have to answer in 2022, it seems to me, is how we can retain – and in some areas rebuild – public confidence that our infrastructure will be fit for the future.

To achieve the ambitions espoused at COP26, or to turn the words of white papers into action, we need to accept that all problems for which infrastructure is part of the answer are – almost by definition – long term challenges.

Only a truly strategic approach will work.

And that is why I was pleased to welcome the UK's first National Infrastructure Strategy, published by government in 2020. You'll forgive me saying I was particularly pleased to welcome it, because much of the contents had their origins in my Commission's work.

The Strategy gives us a solid foundation and we are seeing positive steps towards delivering it.

The launch of the UK Infrastructure Bank; the publication of the Integrated Rail Plan; a net zero strategy and a move to annual Contract for Difference auctions to further expand renewable energy – these are all important.

I hope the Commission can help government develop its approach to some of the hardest infrastructure policy challenges, through bringing a long term perspective, taking a cross-sectoral approach, and being able to say things that it might be harder for government departments to say.

And I hope we can use our reach as an organisation to build a level of consensus on how to solve these questions.

But the last thing we want to do is rip up the plans every five years.

Now, as with any Strategy, there comes a point where the hard yards of detailed policy design and delivery have to be pounded.

And those yards will be harder still due to the very real concerns over the cost of living.

The challenge is how to keep pace with investing for the future, while bringing the public – taxpayers and billpayers – with us on the journey. The transition to net zero must be fair if it is going to be accepted by the public.

Ducking this challenge now will delay the outcomes that people want to see; and in many instances, increase overall costs.

- In water, for instance – the moment is now for shaping the next price control period and beyond to ensure our sewers and sustainable drainage systems have the capacity needed for increased rainfall and greater urbanisation.
- In energy, stalling on new home insulation schemes will only slow our transition to efficient low carbon heating.
- And in transport, we need to improve public transport systems in our towns and cities as we emerge from the pandemic – or risk pushing people back into private cars.

We need to be open and honest with the public: about the costs of the big shifts we need to achieve, but also about the costs of *inaction*.

Few would argue that rebalancing the UK's economic geography, cutting carbon and boosting climate resilience are anything other than essential.

And for hard problems like this, the best short term solution is often to make the case for the long term solution.

That doesn't mean doing nothing now – quite the opposite. We need to develop the policy pathways to reach the long term goals we've set.

- For instance, we urgently need to reform local transport funding, with a shift from competitive bidding between councils, to long-term devolved funding settlements.
- We need to see the indicators government proposes to use to measure flood resilience, to inform future investment in defences and adaptation.
- Indeed, more broadly, recent events have again highlighted the need for the forthcoming National Resilience Strategy to set out the standards the public can expect from our infrastructure in the face of stresses and shocks – and our regulators must work with operators to facilitate their delivery.

Setting long term goals and being upfront about the costs is not always politically expedient. I get that.

And of course, strategy needs be reviewed in the face of significant changes in circumstance.

But resisting too many shifts of gear lends certainty to operators, supply chains – and the public. And it crucially helps crowd in private investment.

So my call to the Chancellor and fellow ministers is perhaps an unusual one: stick with the plan you've set out, and let's get on with policy design and with delivery.

My call to the rest of us, as partners in implementation – let's use 2022 to continually earn the trust to deliver for the public, through restless innovation and honest communication.

And together, let's make 2022 a year of acceleration rather than prevarication.”

Sir John Armitt, Chair of the National Infrastructure Commission.

Photo credit: National Infrastructure Commission