The future of UK infrastructure: Supporting growth

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Planning for the future of infrastructure, post pandemic, is clearly charged with uncertainty. How we will work in the future is currently a concern for many, with changing travel and work patterns, not helped by conflicting reports in the press of how people think the world of work will change. This uncertainty not only affects many individual jobs, but also contributes to the risk of hesitation and delay in making decisions around how the country's future infrastructure is developed, to ensure that it supports future growth.

The National Infrastructure Strategy, published in November 2020, sets out a long-term perspective on required infrastructure investment in the UK, with clear priorities. The development of, and investment in, infrastructure needs a long-term consistent outlook: not something the usual Westminster political cycle can guarantee. In the past this has led to considerable delays and loss of opportunity in UK infrastructure investment, including transport infrastructure. COVID-19 has made a long-term outlook an even greater challenge, creating uncertainty in what outcomes new investment will deliver, and when it will deliver benefits.

Changes in the commercial model used to provide public transport are being driven by changes in policy direction, accelerated by the impact of COVID-19. This can be seen with the proposed Williams-Shapps reforms in rail and the more interventionist direction taken in the recent English National Bus Strategy. Both demonstrate a shift in government thinking on how the private sector can support the delivery of public services, and exhibit the challenges to government in making positive changes to service delivery in an uncertain market, potentially requiring greater intervention. In this context, the new Subsidy Control Bill and the government's proposals in the Procurement Green Paper may provide an opportunity to accelerate the delivery of key projects, whilst maintaining competition and allowing for focused government investment, where required, to drive wider benefits.

This theme continues with the opening of the National Infrastructure Bank (NIB) in Leeds in June. The NIB will lend both to private sector investors in core infrastructure and directly to the public sector. This will allow it to provide a supporting role in a wide range of infrastructure projects. Whilst this is welcomed, it is also necessary to ensure such investment does not diminish, as this was a role often taken, until recently, by the European Investment Bank (EIB). EIB investment has supported many recent transformative infrastructure projects, both through private sector lending and direct public sector lending, allowing local government to deliver projects directly, often with more limited central government support. For example, EIB funding has supported multi-scheme transport investment in Greater Manchester, and this approach has been reflected elsewhere in the UK. A wide range of delivery and funding options are required in order to support the levelling up agenda, allowing local and regional government to prioritise investment that reflects their own growth agenda and it is therefore key that the NIB supports such local solutions.

Continued delivery of major projects such as HS2 during the pandemic has been key to ensuring that the benefits of those schemes, that were started before COVID-19, can be fully realised. It is therefore important that as the country starts to emerge from the pandemic, that focus is not lost on schemes in the pipeline. Political focus on levelling up needs to be matched by continued support for such schemes, and delaying the schemes until uncertainty arising from COVID-19 has completely disappeared must be avoided, in order to deliver future benefits effectively.

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