

What Does it Mean for Highways, Rail and Sustainable Transport?

In November 2020, The Treasury published the National Infrastructure Strategy. The document builds on the work of the National Infrastructure Commission set up in 2015. It describes how the Government plans to use infrastructure investment to deliver important policy objectives such as decarbonising the economy, driving economic growth and reducing the prosperity gaps between different regions of the UK.

These objectives underline the vital part that infrastructure plays in the economic health and wellbeing of the nation. The full document runs to 96 pages, which means there's plenty of detailed information to absorb.

We've extracted the most important information that relates to highways, rail and sustainable transport.



Investment



Putting an end to stop-start investment cycles is a welcome theme. If this translates into practice it will inspire confidence in the sector to invest in new technology, innovation and skills. This investment will progressively build a more productive and resilient industry.

Investment in economic infrastructure will be £27 billion in 2021-22 with longer-term settlements promised for key infrastructure programmes including strategic roads, rail, broadband and flood defences. Understanding the priorities that will drive decisions on how this money will be spent is clearly helpful.

Private Sector Investment

Alongside the promised investments, the Government aims to increase the flow of private finance into UK infrastructure and is taking action in the following areas:

- Setting up a UK infrastructure bank, to co-invest alongside the private sector in infrastructure projects.
- The bank will be able to lend to local and mayoral authorities for key infrastructure projects and provide them with advice on developing and financing infrastructure.
- The government will produce an overarching policy paper on economic regulation in 2021. The report states that this will consider regulator duties and inject more competition into strategic investments. What will this mean in practice?
- Developing new revenue support models and considering how existing models – such as the Regulated Asset Base model and Contracts for Difference – can be applied in new areas and remain open to new ideas from the market. The government will not reintroduce the private finance initiative model (PFI/PF2).

Recovery, Levelling Up and Rebuilding the Economy

The strategy highlights the importance of public investment in infrastructure projects – both large and small. Alongside major projects such as HS2, new investment will be targeted at smaller local schemes to upgrade existing infrastructure. The intention is that these projects can be taken through planning and development quickly to provide employment opportunities in the UK construction sector.

A particularly welcome aspect of the document is the recognition of the negative impacts of stop-start funding. Long-term funding plans and commitments offer a more secure pipeline and will stimulate investment in the sector to drive innovation and skills development.

‘Climate change, regional inequality and low productivity are long-term challenges that require a sustained commitment.’

There are some significant commitments. These include:

- £5 billion over this parliament for buses and cycling.
- Backing HS2 with an Integrated Rail Plan to deliver transformational improvements in the Midlands and the North.
- Over £27bn invested in strategic roads including the A66 between Penrith and Scotch Corner, Lower Thames Crossing, and the A303 Stonehenge.
- £1.7bn investment in local roads in 2021-21, including £310m for upgrades to reduce congestion and £500m for repairing potholes and resurfacing.
- Eight city regions will benefit from £4.2 billion government investment in five-year funding settlements for local transport starting in 2022-23.

Expanding and Restoring Rail Services

The commitment to restoring many of the rail services lost through the Beeching cuts of the 1960s is potentially significant. So far, there are firm proposals relating to the Ashington–Blyth line in Northumberland and restoring rail links to Okehampton in Devon.

There is also feasibility funding for potential line restoration projects across the country. It will be interesting to see what this means in practice in terms of miles of new track and the technologies deployed. Potentially, this represents a significant shift in transport policy in favour of rail.

The government is also expanding the third round of the New Stations Fund to £32 million to fund the opening of railway stations at Edginswell and Thanet Parkway in Kent, and St Clears in Carmarthenshire. It will also provide funding to further develop proposals for stations at Haxby in York and Deeside in Flintshire.

Decarbonising the Economy

Much of the document is focused on the expansion of wind and nuclear power generation. There are, however, some details that will affect transport infrastructure. For example, £1.3 billion will be invested in charging infrastructure to accelerate the mass adoption of electric vehicles ahead of ending the sale of new petrol and diesel cars by 2030.

Sustainable Transport

Encouraging the growth of walking and cycling is an investment in the nation's health as well as a way to reduce greenhouse gas emissions.

Gear Change – the government's long-term walking and cycling strategy – aims to ensure high design standards and the integration of cycling infrastructure into cities. The aim is to create thousands of miles of safe, continuous and direct cycling routes. The objective will be supported by a £2bn active travel package.

Decarbonising may also be significant for rail stations and transport hubs, with a greater emphasis on low carbon heating systems such as heat pumps.

Making more environmentally friendly modes of transport available, whether walking, cycling or rail, is an important objective.

Electric Vehicles

Specific measures are planned to prepare the UK for significantly larger numbers of EVs. These include:

- £950 million for future-proofing grid capacity along motorways and key A roads.
- Support for chargepoint installation at homes, workplaces and on-street locations. Targeting difficult parts of the market such as leaseholders and Small and Medium Enterprises (SMEs).
- £90 million to fund local EV charging infrastructure to support the roll out of larger, on-street-charging schemes and rapid hubs in England.



Accelerating and Improving Delivery

Years of underinvestment in transport infrastructure means that there is plenty to be done to upgrade existing networks to make them fit for the 21st century. Put alongside all of the planned projects there is a clear need to transform levels of productivity, quality and whole-life costs.

In the summer of 2020, the Government set up Project Speed to identify aspects of the infrastructure lifecycle that could be reformed to accelerate and improve delivery. The resulting reforms include:

- A quicker and simpler framework for assessing environmental impacts and to secure better outcomes for the environment.
- Reform of the planning system.
- Transforming the construction sector to promote better use of data and modern methods of construction.
- Ensuring more effective decision making with streamlined approval processes, more emphasis on quality design, and better monitoring and evaluation.
- Embedding good design in all infrastructure projects.
- Accelerating investment in major project expertise and improving the skills base across the country to ensure every area can deliver the infrastructure it needs.

Better, Greener, Faster

The phrase 'Better, Greener, Faster' is used frequently.

- 'Better' indicates that the wider economic, social and environmental benefits of a project will be evaluated and monitored. A framework for this will be needed urgently so that appropriate goals can be incorporated in procurement standards and KPIs.
- 'Greener' indicates that the net zero commitment will be considered in every stage of the project lifecycle and will determine the technical solutions chosen.
- 'Faster' favours modern methods of construction, new skills and a strategic relationship with industry to improve productivity.

These objectives represent significant structural changes in the industry that have to be fully underpinned by enlightened procurement practices and long-term partnerships.



High-Performing and Beautiful Infrastructure

The government wants the planning process to stimulate well-designed proposals that will enhance the environment, health and character of local areas. The Strategy recognises that good design is an essential element in improving the performance of infrastructure. Specific proposals include:

- Local plans which set clear rules rather than general policies for development.
- A reformed planning system with a new focus on design and sustainability building on the National Design Guide, with a consultation on the proposed National Model Design Code later in 2020.
- Requiring all infrastructure projects to have a board-level design champion in place by the end of 2021 at either the project, programme or organisational level.



Conclusions

The importance of sustained investment in infrastructure has moved significantly higher in national priorities. Octavius welcomes this shift and looks forward to an exciting new era for transport infrastructure based on collaboration and greater commercial certainty. These are the conditions needed to fuel the transformation of the sector that we have advocated for some time.



For more information on how we could help your project please [visit our website](#) or contact us by email: hello@octaviusinfrastructure.co.uk

