

South West Infrastructure Partnership

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Response to Consultation: Levelling Up

(<https://www.ice.org.uk/news-and-insight/ice-press-centre/views-on-levelling-up-and-infrastructure-sector>)

This response has been prepared on behalf of the South West Infrastructure Partnership (SWIP).

SWIP was established in 2017 and has brought senior members of the civil engineering profession and key stakeholders from the South West together to discuss the issues that each sector was facing and assessing what lessons or experiences could be learned from other sectors. This response has been prepared and circulated to our steering group for their inputs. Not all steering group members have been able to respond so this consultation response as it stands should be considered as representative rather than the collective view of SWIP.

Question 1: What should 'levelling up' mean in the context of economic infrastructure?

In the recent launch of the State of the Nation Report on Net Zero, one of the presenters identified that in 2050, 85% of the infrastructure we use today will still be in use then. Whilst the point was made to illustrate the challenge of adapting 85% of our existing infrastructure to operate at net zero, it also illustrates the limited opportunities that exist for new infrastructure to level up. Consequently, consideration of how future infrastructure needs can contribute to levelling up is both important and urgent as there is little room for error. It also demonstrates that the levelling up agenda needs to be considered as we adapt our existing infrastructure.

Not all economic infrastructure can contribute knowingly to the levelling up agenda. There may be limited options for the location of renewable power stations, carbon capture and storage facilities and manufacture of blue hydrogen, for example. It is likely that solar generation will benefit the south and offshore wind generation will benefit the East coasts. Historic industrial clusters are likely to remain where they are whilst carbon storage is predominantly limited to former North Sea oil fields.

The opportunity for levelling up (ie bringing to reality options that achieve greater societal benefits than if decided on financial considerations alone) is therefore constrained to those elements of economic infrastructure where there is discretion in terms of where investment can be made. It is noted that the Government are already considering changes to the Green Book to enable business case metrics to give greater weight to societal benefits although it is not clear how this will be achieved. One change which will benefit all communities, rich and poor, is to implement the ICE State of the Nation recommendation 2 to prioritise carbon emissions during the revision of the Green Book. Indeed, this may bring forward adaptation of existing infrastructure and give greater flexibility in improving the benefits to disadvantaged areas.

Question 2: What are the priorities, in terms of economic and social outcomes, for infrastructure in the context of 'levelling up' and how have these been affected by Covid-19?

Provision of new and/or upgraded transport links, alongside improved digital capacity and speed, and integration of these into the communities and economic centres they serve is the priority, alongside ensuring that carbon emissions are significantly reduced. By integration, we mean developing suitable transport interchanges so that rather than one mode of transport being used door to door, the most appropriate form of transport is used for each leg of the journey. In rural parts of the South West, this is likely to mean that journeys will start by car but should transition to rail, bus or cycle to reduce car journey lengths and reduce congestion. Critical to this will be a successful EV charging strategy that encourages take up of electric vehicles but doesn't act as a magnet for EV's to enter city centres. This means intelligent location of public EV chargers where car use is essential – for example at supermarkets, shopping centres, at home and at suitable points on the strategic road network and park and ride sites. It is of note that Devon has one of the largest road networks of any county in the UK, yet it only has 30 public Electric Vehicle (EV) charging points. While the South West is among the most popular tourist destinations outside of London, it's also one of the most ill-equipped, in terms of supporting new and emerging low carbon technologies.

However, this is not surprising given the lack of public investment in the South West's transport network. As is stated in the consultation paper, spending per head is highest in London of £739 whilst the lowest is the South West at £231 per head, a third of that for London. In terms of levelling up, there has been considerable focus by politicians and the press on the Northern Powerhouse and then the Midlands Engine as priority areas but it could be argued that the investment in economic infrastructure in the last two decades into these areas (the Manchester Metro, the Great North rail project, the West Midlands Metro) and over the next two decades HS2, is already levelling up these areas. As your evidence shows, the South West has seen the least spend per head on new transport infrastructure and, with the exception of Bristol, has one of the poorest economies in the UK. Even in Bristol, the public transport infrastructure network is poor compared with other cities in the UK with no tram network and limited suburban rail services.

Our view is that levelling up should encourage greater public and private sector investment into areas where there is significant potential to boost economic productivity and growth. The primary tools for achieving this will be through improved communication links, particularly rail, electrified public transport and a road network that will facilitate low carbon travel in future. In addition, increased provision of high speed broadband, particularly in rural areas under the levelling up agenda, will facilitate home working for those that are able, improve internet shopping, and facilitate access to Government and Health services. Such measures will lead to reduced car mileage, reduced congestion, improved air quality, increased quality of life and higher productivity.

We would encourage a greater focus on those areas where historically spending has been lowest but where productivity and carbon reduction could be easily accelerated. Examples in the South West could include electrification of the rail services, better transport interchanges, electrification of public transport, repurposing of streets to encourage active travel and use of the high street by pedestrians. Strategic spatial plans should incorporate levelling up as a driver to facilitate the development of new houses in areas where they are appropriate and are served effectively by low carbon transport modes and digital infrastructure. Such moves will attract new businesses and people into the region, particularly from London and the South East, increasing the prosperity of the South West but without damaging the region's balance between the environment and economic growth and preserving its unique characteristics.

The South West's infrastructure also has to deal with the unique challenges of welcoming large numbers of tourists which places considerable pressure on the region's infrastructure, particularly its constrained road, rail and water networks. Improving the region's strategic infrastructure to better cope with the peak demands during the summer months will also benefit the development of new businesses in the region, reducing its dependence on tourism and more ably contributing to the UK economy during the winter months as well as through tourism in the summer.

Covid-19 has led to a reduction in the use of public transport and it is unclear how long this will be sustained, both in terms of passenger demand and the ability of transport operators to remain financially solvent. Car journeys into city centres have significantly increased from their lockdown low which is not good news for carbon emissions, congestion or air quality. The tourism industry in the South West suffered significantly during the UK's lockdown and continues to be challenged by the requirements of safe distancing and the mixed messages that tourists receive during their stay. However, it is important that Covid-19 behaviours do not unduly influence long term thinking on levelling up. On one hand the Covid-19 experience demonstrates how quickly action can be taken to change people's behaviours and the benefits that reduced car travel can have on the environment. On the other hand, the levelling up agenda requires a sustained long term approach but which could start immediately in terms of planning and use the need for increased short term investment to drive an economic recovery that will meet the future needs of a net zero and levelled up new world.

Question 3: How could subnational infrastructure bodies be integrated into existing infrastructure decision-making frameworks in England?

We concur with the views expressed in the consultation paper that the remit of these organisations should be expanded to include all forms of economic infrastructure, so that there exists a single organisation for each region that is able to strategically identify and articulate long-term network requirements. In the South West we have two relatively immature STB's (Western Gateway and Peninsula Transport). However, we do not believe that should delay their transition to subnational infrastructure bodies (SIBs), with a remit to create integrated regional infrastructure strategies. It will be important that all SIB's work together across their shared borders if they are to be effective and enable effective levelling up across all regions rather than just the Midlands and the North West.

If SIB's are to feed effectively into existing infrastructure decision making frameworks in England, they should do on an equal basis so that there is no inbuilt bias to those that had had the benefit of operating for longer. This is particularly true if the overriding ambition to create regional infrastructure strategies that feed into the government's overarching National Infrastructure Strategy is met. It is also important to achieve the strategic coordination of infrastructure prioritisation at multiple geographic levels. We agree that the government's planned Devolution White Paper should be aligned to its National Infrastructure Strategy.

Question 4: What approach and criteria should be used to develop regional infrastructure strategies across England that can support the government's 'levelling up' agenda?

The ICE's 12 Guiding Principles provide a good starting point although we would have liked to see the net zero agenda given a higher priority, alongside benefit cost analysis. In that context, the recommendations of the ICE's State of the Nation 2020 Report on Net Zero are equally relevant and the challenge is therefore to achieve levelling up whilst pursuing the achievement of net zero.

In terms of criteria, the relevant Sustainable Development Goals should form the basis, supported by the social value, natural capital, carbon reduction and economic development frameworks that are embedded in UK practice. Determining the appropriate criteria, the scale on which they should be measured, and associated thresholds is not something that can be done in isolation and we would suggest that an appropriate working group is established to consider these issues and engage with stakeholders to achieve an informed consensus.

Question 5: What models of investment are required to ensure that infrastructure is adequately funded in all regions across England?

It is noted from Table 1 (reproduced above) that the South West attracts the second lowest amount of public investment but the most private sector investment. These figures are drawn from the Infrastructure Pipeline and include social as well as economic investment and also include potential projects that may not progress or may be distorted by large national projects that have limited long term regional benefit. In terms of the levelling up agenda, it is therefore important to focus on the public sector investment as a more accurate, albeit indicative, measure of which areas would benefit most in terms of levelling up. In that context, rather than apparently being at the top of the table, the South West receives one of the lowest levels of investment per capita, with the North East and Yorkshire being the only two areas with lower levels of public investment.

The figures in the consultation paper by IPPR North again show the very poor levels of investment in the South West. Our conclusion is that investment in levelling up should be directed at those areas such as the South West in addition to the industrial heartlands more normally associated with the levelling up agenda. Whilst most of the region's economic growth is derived from tourism and farming as opposed to heavy industry, the challenges of Brexit on the agricultural community is yet to be felt and that may result in the gap widening further. Even the more productive locations in the South West such as Bristol (and its economic success amplifies the plight of the rest of the region in SW averaged figures) suffer from poor public transport.

In terms of investment models, we believe that a starting point should be levelling up of the transport funding across the regions. This requires careful consideration as to how that is achieved but there is a clear economic link between investment in economic infrastructure, particularly connectivity projects, economic regeneration and job creation.

Question 6: How can the development of regional infrastructure strategies be leveraged to ensure that investment flows to projects and programmes across England?

We believe that the single biggest lever is to create market confidence that a regional strategy is capable of being funded and delivered. This requires a number of pre-requisites:

- A regional infrastructure strategy that is comprehensive and demonstrates how short term actions can contribute to long term objectives for the region;
- Political and public support
- Public investment to demonstrate commitment
- Support to develop appropriate skills within the region and promote local supply chains
- Contribute to Net Zero

If the market believes that there is commitment, support and value in the regional infrastructure strategies and that the Government and local authorities are collectively acting as the cornerstone in terms of funding, the private sector will follow in terms of investment, supply chain capacity and management skills.

Peter Kydd

Chair

South West Infrastructure Partnership

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