

Planning News

Transport & Energy Infrastructure

January 2017: catch-up and preview



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Headline news

'National Infrastructure and Construction Pipeline' details planned investment to 2020

The Government's Infrastructure and Projects Authority has published the new National Infrastructure and Construction Pipeline, setting out over £500bn of planned investment (until 2020) by both private and public stakeholders. The publication of the pipeline follows on from the Chancellor's Autumn Statement announcement of a new £23bn National Productivity Investment Fund (NPIF), a spending programme for technology, transport infrastructure and housing.

Together with the publication of the 'Pipeline', the Government has also issued a new funding and finance supplement to incentivise further private sector investment into the UK's most important infrastructure projects.

Housing-related planned investments to 2020 total almost £13bn; they are aimed at supporting large housing projects, financing the Shared Ownership and Affordable Homes Programme and the Accelerated Construction Programme.

This NLP blog provides more details and explains the project breakdown and timings of investments further: the largest sector in the pipeline supply is energy, totalling £206 billion. The next biggest sector is transport, with the total value being heavily skewed by High Speed 2 (accounting for 40% of the total planned investment). A decline in investment is anticipated in the 2-year post-Brexit era (assuming the UK leaves in 2018), although this could just be a coincidence.

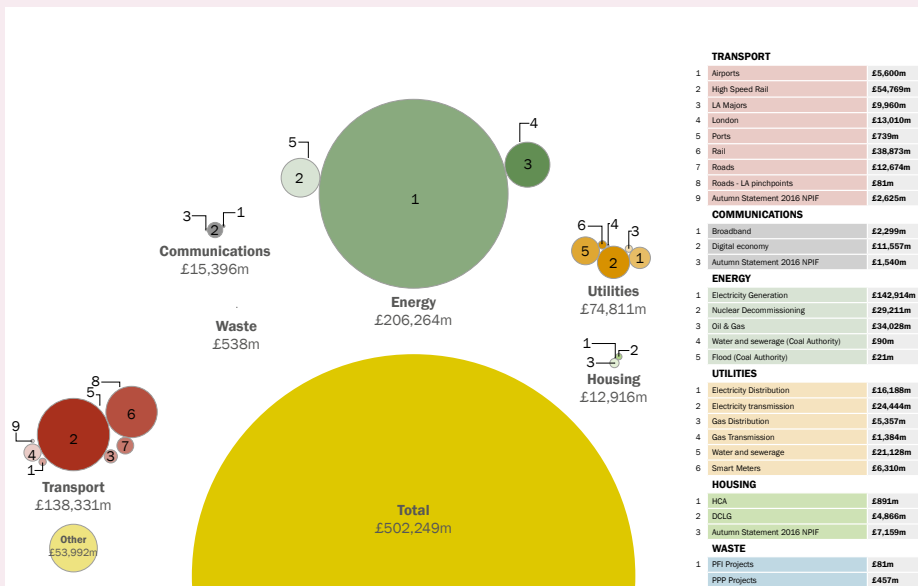


Quote for 2017

From connected vehicles to the internet of things, 5G will support a whole new way of communicating and doing business. The UK must not be left behind.

National Infrastructure Commission Chair Lord Adonis, commenting on the publication of 'Connected Future', the Commission's report on 5G deployment and telecommunication technology in the UK

National Infrastructure and Construction Pipeline breakdown



TRANSPORT	
1 Airports	£5,600m
2 High Speed Rail	£54,769m
3 LA Majors	£9,960m
4 London	£19,010m
5 Ports	£798m
6 Rail	£36,873m
7 Roads	£12,674m
8 Roads - LA pinchpoints	£81m
9 Autumn Statement 2016 NPIF	£2,625m
COMMUNICATIONS	
1 Broadband	£2,299m
2 Digital economy	£11,557m
3 Autumn Statement 2016 NPIF	£1,540m
ENERGY	
1 Electricity Generation	£142,914m
2 Nuclear Decommissioning	£29,211m
3 Oil & Gas	£34,028m
4 Water and sewerage (Coal Authority)	£90m
5 Flood (Coal Authority)	£21m
UTILITIES	
1 Electricity Distribution	£16,188m
2 Electricity transmission	£24,444m
3 Gas Distribution	£5,357m
4 Gas Transmission	£1,384m
5 Water and sewerage	£21,128m
6 Smart Meters	£6,310m
HOUSING	
1 HCA	£891m
2 DCLG	£4,866m
3 Autumn Statement 2016 NPIF	£7,159m
WASTE	
1 PFI Projects	£81m
PPP Projects	£457m

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NLP's 2017 soundbite

Government plans for private and public sector infrastructure investment clearly show how the energy and transport sectors are to receive the majority of investment from 2016 onwards; post-2020/21, the energy sector is anticipated to be predominant. For the next five years though, different regions will have different investment priorities too - a focus for London will be on significant investment in transport improvements, while the North West and South West regions will attract the largest shares of investment in the energy sector.

But there is a clear concern that 'Brexit-blight' has the potential to influence Government spending priorities and private investor confidence, and generally reduce potential sources of funding. The Government's ability to drive the economy forward in the post-Brexit era will be essential for securing the necessary funding and achieving its growth ambitions for infrastructure development in the UK.

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National news

NIC report on 5G deployment and telecommunication technology

The National Infrastructure Commission (NIC) has published the final version of its report on 5G deployment and telecommunication technology, entitled 'Connected Future'. 5G technology is defined as ultra-fast and ultra-reliable connectivity, which can transmit massive amounts of data at super-low latency (this being a measure of the amount of time a message takes to traverse a system).

The study, commissioned on Budget Day 2016 by then Chancellor George Osborne, aims to explore what the UK needs to become a leading country in 5G deployment. The Commission's main finding underlines how connectivity has become a necessity in today's society, stressing the active role that the Government is now requested to play in ensuring that basic services are available throughout the UK, '...wherever we live, work and travel, and [on] our roads, railways and city centres'.

Planning-related actions recommended to Government include:

- ensuring that infrastructure is put in place to deliver 5G across major centres and transport networks, including motorways having roadside networks 'fit for the future' by 2017 that are then in place by 2025;
- Likewise, the railway network must rapidly improve connectivity, best delivered by a trackside network (for both mobile communications and to create a high performance operational network). Therefore Government should once again provide a plan by 2017, for the infrastructure to be in place on main rail and key commuter routes also by 2025; and
- Local authorities (LAs) and local enterprise partnerships (LEPs) should work with network providers to develop 'coordinated local mobile connectivity delivery plans', to enable 'the deployment of the tens of thousands of small wireless cells we expect to need in our urban centres'. These plans need to consider how the deployment of digital infrastructure can be established as a priority in local planning policy. Mobile network operators also need to bring together their network expertise with that of LAs, 'who best understand their area and can provide an accurate picture of local area requirements', with local pilots of plans preceding national roll-out.

Commenting on the publication of the report, Chair of the NIC Lord Adonis said:

'5G offers us a chance to start again and get ahead. If government acts now we can ensure our major transport networks and urban centres are 5G ready in time to give British industry every chance to lead the world in exploiting its applications.'

Technological and demographic change impacts on future infrastructure supply and demand

The NIC has published a discussion paper exploring the impact of technological change on future infrastructure supply and demand, alongside a second paper looking at the impact of population change and demography.

The papers form part of a series, looking at some of the drivers of future infrastructure supply and demand in the UK. The first paper also forms part of the evidence base prepared for the Commission's new study on how new technologies can support the improvement of infrastructure productivity; this new study was commissioned by Chancellor Philipp Hammond in this year's Autumn Statement and a report is due before the end of the year.

Funding competition: innovation in infrastructure systems - round 2

Innovate UK has allocated £15m to fund innovative projects in different areas, including:

- Smart infrastructure;
- Energy systems;
- Connected transports; and
- Urban living.

A competition has been devised to stimulate innovative infrastructural proposals, designed to provide critical services for the economy, the environment and society. The competition opens on 16 January, and the deadline for registration is 15 March 2017; eligible projects can range in size between £25,000 and £5m and last between 3 months and 3 years.

NIC Chief Executive stresses importance of good design, quality and local character

Phil Graham, the NIC's Chief Executive, has delivered a speech to the Campaign to Protect Rural England (CPRE), pledging to put quality design at the heart of the NIC's work, including on the Cambridge – Milton Keynes – Oxford growth corridor study.

Announcing the NIC's commitment to quality design, he commented:

'Our preliminary report [on the Cambridge – Milton Keynes – Oxford growth corridor], published last month, found that, 'a lack of sufficient and suitable housing poses a fundamental risk to the success of the area'. 'Suitable' is key. It means new housing and communities whose design recognises that each of these places is successful and attractive as somewhere to work and live in its own right.'

Transport

National news

Government announces £2.5m investment in new transport technologies

The Government has announced a £2.5m package of awards aimed at supporting companies, individual and academics in making travelling safer, quicker and more reliable.

The grants include:

- over £800,000 for 33 Transport Technology Research Innovation Grants (T-TRIG), to support early-stage science, engineering or technology innovations;
- a further £700,000 for T-TRIG awards; and
- a new £1m Innovation Challenge Fund.

Transport Minister John Hayes commented:

'Through these schemes, small businesses and academics gain access to much needed financial support allowing them to explore new ideas and move innovations on to the next stage of development.'

Aviation

Heathrow starts work on third runway planning application

Heathrow Airport has announced that it has started the preparation of a planning application to expand the airport with a new runway; the stated intention is to formally submit the planning application in 2019, following the designation of the Government's proposed National Policy Statement.

Plymouth Airport study

The Department for Transport (DfT) has published a study looking into whether previously published reports identify any viable option for the reopening of Plymouth City Airport; the study is literature-based and has not been supported by additional primary analysis.

Rail

Rail reform and the future of the rail network

Transport Secretary Chris Grayling has delivered a written statement in the House of Commons, providing updates on the rail network and future reforms.

In the statement, the Transport Secretary has announced a proposal to establish East West Rail, a new integrated rail operation that is separate to Network Rail and which will provide the 'missing link between Oxford and Cambridge'. He also announced the closer alignment of incentives between the management of infrastructure and the operation of train services.

Chris Grayling said:

'East West Rail will provide a commuter route for the crucial centres on its route and will provide the transport spine for additional housing and business development in a corridor which is one of the government's priority areas for the future of our country.'

HS2 update

The Lords Select Committee for High Speed Rail (London – West Midlands) Bill (also known as HS2 Phase One Hybrid Bill) has published its special report, marking the conclusion of the Committee's work.

Among the main points of interest, clause 48 of the HS2 Phase One Hybrid Bill would confer on the Secretary of State power to acquire land by compulsory purchase if he or she considers 'that the construction or operation of Phase One of High Speed 2 gives rise to the opportunity for regeneration or development of any land'; in its special report, the Committee labelled the measure as 'undesirable and unnecessary', as the power is considered 'indeed very wide', recommending the clause be deleted from the Bill.

Other HS2-related updates include:

- The publication of the HS2 Ltd Chairman's response to the fifth Residents' Commissioner's report;
- The issuing of a series of factsheets that provide detailed regional information on the route from London to West Midlands and beyond; and
- The latest HS2 Design Panel Chair Report, published by Sadie Morgan (HS2 Design Panel Chair), which includes a summary of the work undertaken to date, overarching recommendations, and a look forward to future planned activities.

Rail freight policies

The House of Commons Library has published a paper that describes the rail freight policies adopted by successive UK Governments, which have sought to drive modal shift of freight from roads to rail. The briefing also looks at plans to drive rail freight growth with HS2 and the policy of the EU in this area.

Road

Government response to Transport Committee's 'All Lane running' report

The Government has published its response to the House of Commons Transport Committee's report on 'All lane running' (published in September last year).

In its response, the Government underlines how 'notwithstanding the growing evidence that 'all lane running' (ALR) is providing much-needed additional capacity quickly and efficiently on our roads while maintaining or improving safety, the Government is mindful of the concerns highlighted by the Transport Committee'.

The Government's response also highlights how:

'Effective communication with drivers and full engagement with stakeholders are vital to address these concerns, as is the continual review of the ALR design to learn lessons and make further improvements.'

Energy

Shale gas

Chief Planner's letter on Government support for shale exploration

DCLG's Chief Planner Steve Quartermain CBE has written to all mineral planning authorities (MPAs) in England to announce the Government's decision to support them in relation to shale gas exploration.

The letter confirms that £800,000 is now available to continue the funding scheme for the 2016/17 financial year. Together with the letter, DCLG has published a Shale Gas Prospectus, from which bids for funding can be made by MPAs to support them in dealing with shale planning applications.

High Court judge rejects challenge against Yorkshire fracking approval

A High Court challenge by campaigners from the North Yorkshire village of Kirby Misperton

has been rejected by Mrs Justice Lang; campaigners were attempting to quash a planning permission for what is expected to be the first fracking project to take place in the UK for five years.

According to the judge's ruling, the Council's committee members had the benefit of specialist knowledge as members of an MPA with multiple gas wells in their region. She stated:

'The real thrust of the objections was that energy requirements ought to be met by other, less environmentally damaging means than gas production and a gas-fuelled electricity generating station.[...] This was essentially a judgment for the committee to make. They were extensively briefed by officers on the climate change issue, as well as the government's policy in favour of shale gas.'

Nuclear

UK business to benefit from new nuclear projects

Energy Minister Baroness Neville-Rolfe has announced various UK Government's pledges aimed at supporting the 'UK's nuclear renaissance'.

Delivering her speech at the Nuclear Industry Association annual conference, the Energy Minister stressed the important role that new nuclear power will play in building a secure, affordable and clean energy system fit for the 21st century.

There are currently industry proposals for new nuclear developments at six locations, including Hinkley Point C, which are expected to deliver around 18GW of capacity over the coming decades.

Baroness Neville-Rolfe said:

'[...] today I am making sure developers will be required to show evidence that their projects support growth in the UK supply chain, improve competition, and boost innovation and skills.'

Tidal

Tidal lagoons and UK energy strategy

In early December, former Welsh Secretary Stephen Crabb moved a Westminster Hall debate on tidal lagoons and the UK energy strategy.

In relation to the then-awaited publication of the independent review of tidal lagoons technology (submitted to Ministers on 6 December), Stephen Crabb warned the UK Government 'to respond in a timely and purposeful way, with no foot dragging'.

He went on to state:

'This cannot become another third runway decision, where industry makes repeated calls for a Government decision only for it to be kicked further down the road. There is too much at stake.'

Responding on behalf of the Government, Energy Minister Jesse Norman said:

'... any decision before the end of the year would be unrealistic at this late stage [...]. We will give this matter thorough and careful consideration. There will be no dragging of heels.'

Ahead of the Parliamentary debate, the House of Commons Library published a debate pack looking at tidal lagoons technology and the UK's energy strategy.

London

Draft Transport for London Business Plan published

Mayor of London Sadiq Khan has published the Draft Transport for London (TfL) Business Plan, detailing the Mayor's proposed vision for transport to 2021/22.

The main matters covered by the draft Plan include:

- The extension of the Bakerloo line to Lewisham being brought forward by two years;
- £2.5bn of cycling investment to incentivise pedestrian and cycling mobility;
- The launch of 'the world's first Ultra Low Emission Zone', and the creation of five 'Low Emission Neighbourhoods'; and
- The new river crossings in East London (Silvertown Tunnel, and the new pedestrian and cycling bridge linking Rotherhithe and Canary Wharf).

Mayor appoints Walking and Cycling Commissioner

Mayor of London Sadiq Khan has named London's first-ever Walking and Cycling Commissioner.

Will Norman will work closely with the Mayor, the Deputy Mayor for Transport and TfL with his objective being to make healthy, active, non-polluting travel easier in London.

Scotland

Draft Scottish Budget 2017-18 backs affordable homes, City Deals and digital infrastructure

Scotland's Finance Secretary Derek Mackay unveiled his first Draft Budget in

mid-December, announcing investment in new and existing infrastructure projects with the aim of supporting sustainable economic growth.

Headline measures include:

- Completing the Queensferry Crossing;
- Over £470m of direct capital investment to begin delivery of 50,000 affordable homes; and
- Over £100m of investment in digital and mobile infrastructure, with the aim of improving digital connectivity.

Announcing the draft Budget, Mackay said:

'Today I have published a Budget for growth and public services; for our environment and our communities. It delivers increased investment in education, record investment in the NHS, protects low income households from tax hikes and supports more and better jobs.'

Scotland exceeds renewable energy target

The latest figures published by the Department for Business, Energy & Industrial Strategy (BEIS) show that renewable sources delivered the equivalent of 59.4% of Scotland's gross electricity consumption in 2015 (up from 49.9% in 2014); the Scottish Government's renewable energy target has therefore been met and exceeded (this was set at 50%).

Scottish Minister for Business, Innovation and Energy Paul Wheelhouse said:

'It is fantastic news that renewables are now, for the first time, Scotland's biggest electricity generator, and that just under 60 per cent of Scotland's gross electricity demand could be met by renewables.'

Wales

Government plans for infrastructure investments unveiled by Infrastructure Secretary

Welsh Economy and Infrastructure Secretary Ken Skates has unveiled Welsh Government plans for infrastructure investments over the next five years. Investments will be made in the following key infrastructure, amongst other projects:

- major improvements to the M4, A55, A40 and A494;
- the delivery of a South Wales Metro;
- the development of a North Wales Metro; and
- a ports development fund.

Ken Skates said:

'Our historic, multi billion pound investment, which includes significant EU funding, shows how serious this Welsh Government is about delivering a world class transport system in Wales – one that sustainably connects people and communities to jobs and services and drives our economy forward.'

Consultation open on Welsh Transport Appraisal Guidance 2017

The Welsh Government has launched a consultation on the Welsh Transport Appraisal Guidance (WeITAG) 2017; the draft provides proposed guidance on the development, appraisal and evaluation of transport-related projects.

The consultation seeks views on a number of changes which will reflect best practice in transport appraisal; the draft also incorporates the objectives of the Well-being of Future Generation (Wales) Act 2015.

The consultation closes on 2 March 2017.

Environment Secretary pledges clean energy shift in Wales

The Welsh Secretary for Environment and Rural Affairs, Lesley Griffiths, has announced the Welsh Government's commitment to reduce the energy consumption and become 'a nation renowned for its clean energy.'

Addressing the Welsh Assembly, the Environment Secretary detailed how the Welsh Government will use its devolved powers, including by:

- leading the way in the UK, by reviewing how building regulations can be used to build new homes which are more energy efficient and cheaper to run;
- ensuring Wales secures transformational benefits from major energy projects, such as Wylfa Newydd and Swansea Bay Tidal Lagoon;
- supporting the phasing out of unabated coal fired power, the most polluting form of energy generation in Wales, by 2025, and using planning powers to limit the opportunities for new coal development; and
- setting ambitious and realistic targets for renewables, including community energy.

Lesley Griffith said:

'If we are to deliver secure and affordable low carbon energy, we need an energy mix of different technologies and scales, from community level to major projects. I am keen to move this agenda forward so Wales benefits from this change rather than being left behind.'