

# Transport & Energy Infrastructure planning news



FEBRUARY 2017

## Headline news

### Government vows infrastructure push to drive industrial strategy

According to the Government's industrial strategy, published on 23 January in the form of proposals in a Green Paper entitled 'Building Our Industrial Strategy', it will use additional infrastructure funding to unlock growth and 'align the planning of infrastructure more effectively with local growth priorities to ensure more places benefit'.

Published for a consultation period closing on 17 April, the proposed Strategy seeks to address long-term challenges to the UK economy. A key objective is to improve infrastructure so as to boost economic growth in struggling areas - the report states in simple terms:

'Infrastructure decisions will be better matched with local economic plans to boost productivity locally and support places that have suffered historical underinvestment [...] Infrastructure supports the other pillars of a modern industrial strategy. Good transport infrastructure does not just reduce delays; it can raise productivity by enabling towns and cities to achieve agglomeration effects, and so support the rebalancing of our economy.'

Referring to World Economic Forum surveys, the report also states that the UK's:

'...overall infrastructure is perceived by international businesses as worse than our competitors [...] driven by factors such as a lack of clear long-term plans and budgets, a complex planning system, and failure to align planning for infrastructure with planning for housing and industry.'

It continues:

'We need to upgrade our energy, transport, water, flood defence and digital infrastructure across the country.'

This will ensure that our businesses can thrive, services are resilient and can enable higher rates of house-building, making houses more affordable. And, as one of the world's leading digital nations, much of the UK's current and future prosperity depends also on our ability to exploit technology and to ensure our data and networks are secure against the many threats we face.'

The Green Paper helpfully summarises funding arrangements from the Autumn Statement:

- The National Productivity Investment Fund, adding £23 billion in high-value investment from 2017-18 to 2021-22 and including:
  - £2.6 billion for improvements in transport projects to reduce journey times and help deepen labour markets through improved travel links;
  - 740 million to support the roll-out of fibre broadband connections and future 5G mobile technology;
- The £2.3 billion Housing Infrastructure Fund, for 'joined-up planning for housing and infrastructure in areas of severe need' (it will 'fund the infrastructure needed to enable house-building on sites with marginal viability in areas with an acute housing need');
- The £1.7 billion Accelerated Construction programme, which will 'support new entrants and developers, innovative private sector partners and off-site manufacturers to ensure homes are built at up to double the speed of traditional house builders';
- A total of £1.1 billion of funding for local roads and public transport networks, 'to allow communities to fix local travel bottlenecks that hold back growth'. ►►

## QUOTE OF THE MONTH



[...] But there are challenges that the UK must face up to, now and in the years ahead. The first is to build on our strengths and extend excellence into the future. [...] Our competitors are not standing still. They are upgrading infrastructure networks and reforming systems of governance. Therefore we too must strive for improvement.

**Secretary of State for Business, Energy and Industrial Strategy (BEIS) Greg Clark**

## THE LICHFIELDS PERSPECTIVE

For the development sector, it is a statement of the obvious in the 'Building our Industrial Strategy' Green Paper that the UK has consistently failed to align planning for infrastructure with planning for housing and industry. Upgrading all manner of infrastructure will be just one element in achieving thriving businesses and higher rates of house-building.

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LICHFIELDS

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The publication of the Strategy was announced by BEIS Secretary Greg Clark via a Written Ministerial Statement; in the same way, DCLG Secretary Sajid Javid announced the individual awards that the local enterprise partnerships (LEPs) in the Northern Powerhouse will receive, as part of the additional £1.8bn Local Growth Fund referred to in the Autumn Statement.

## NIC permanently established as Treasury executive agency

As previously announced, on 24 January the National Infrastructure Commission (NIC) was permanently established as an executive agency of HM Treasury. The update was delivered by the Economic Secretary to the Treasury, Simon Kirby, via a Written Ministerial Statement in the House of Commons.

Alongside the announcement, the Treasury has published a Framework Document, which details the broad framework within which the NIC will operate, while the NIC itself has issued its Corporate Plan 2017-18 to 2019-20, which provides information on the NIC's governance, resources, and staffing, and sets out its business delivery objectives.

Interestingly, the Framework Document provides some details on timings for the NIC's recommendations and related responses from the Government; on the latter, the document states:

'The Government will respond as soon as practicable; it will endeavour to respond within 6 months, and not longer than a year. [...] Recommendations the government agrees should be taken forward will become known as 'endorsed recommendations'. Where the Government does not agree with a Commission recommendation, it may put forward an alternative proposal.'

On endorsed recommendations, the Framework Document expands further, by stating:

'... the Government's endorsement will be a statement of government policy. Where recommendations have wider implications for the planning regimes, the Government will highlight any further steps needed to confirm the endorsed recommendation as planning policy.'

Finally, the House of Commons Library has published a briefing paper that looks at the NIC.

## Interim Report on the UK strategy and plan for 5G and Digitalisation

The Department for Culture, Media & Sport has published an Interim Report on the UK strategy and plan for 5G and digitalisation; the report was prepared by the Future Communications Challenge Group, a panel of senior academics, industry experts and investors, which provides its views on how to drive forward the Government commitment in this field.

## Transport

### Consultation launched on environmental impact assessment regulations within transport

The Department for Transport (DfT) has launched a consultation seeking views on proposals for implementing European Directive 2014/52/EU amending Directive 2011/92/EU (on 'the assessment of the effects of certain public and private projects on the environment'); the amended Directive is to be implemented through the Transport and Works Act 1992 and procedure rules made under that Act, the Highways Act 1980, and the Harbours Act 1964.

The consultation closes on 2 March.

### Oral answers to questions session on transport in the House of Commons

On 12 January, an Oral Answers to Questions debate focusing on transport matters took place in the House of Commons. The session covered various topics, including High Speed 2: costs, ultra-low emission vehicles, and road infrastructure and capacity in the north west. Responding to a question on the latter topic, Transport Minister John Hayes said:

'The Government recently published three strategic studies into long-standing transport challenges in the north west and have committed to major

investment based on the findings. [...] Refreshed versions, drawing on the evidence submitted by local stakeholders last year, will be published, and I think they should be published soon, so let us make it March—we will publish them then.'

## Rail

### Regeneration powers dropped from HS2 Bill

As reported in the previous edition of the NLP's Planning News, the Lords' Select Committee on the High Speed Rail (London – West Midlands) Bill published its Special Report on the Bill in December; one of the recommendations proposed that Clause 48 of the Bill and the related regeneration powers should be deleted from the Bill, as it considered the power conferred to the Secretary of State (SoS) 'very wide'.

The Government has now officially responded to the Lords Committee Report, confirming that it would not seek to reintroduce the provision into the Bill, after the Select Committee deleted it; the Government's response states:

'The onus must therefore lie with local authorities to ensure that opportunities for regeneration arising from Phase One of HS2 are not missed due to any failure to use their own similar powers under the Town and Country Planning Act 1990 or to work collaboratively across boundaries.'

The Government response was announced by Transport Minister Chris Grayling via a Written Ministerial Statement in the Commons.

Finally, the Government has also published an update on the case for HS2 Phase One and its environmental impacts.

### Study published on rail infrastructure 'optimism bias'

DfT has published a study that looks at the phenomenon of 'optimism bias' in UK rail infrastructure projects.

In the context of rail infrastructure schemes, 'optimism bias' is the tendency of individuals to expect better than average outcomes from their actions; it can cause an underestimation of project timescale, the over-estimation of related benefits and an under-estimation of total costs. ►►

The report looks at evidence gathered from several rail infrastructure projects and recommends how optimism bias uplift values should be amended.

## Aviation

### Consultation launched on night flight restrictions at Gatwick, Heathrow and Stansted

The Government has launched a consultation on proposals to regulate the night flight regime at Heathrow, Gatwick and Stansted Airport; the announcement was made by the Under-Secretary for Transport Lord Ahmad of Wimbledon via a Written Ministerial Statement in the House of Lords.

As clarified in the Statement, the reasons for the consultation are as follows:

'In July 2014, the Government announced the current regime for night flight restrictions at the designated airports; Heathrow, Gatwick and Stansted. These restrictions are due to expire in October this year [2017].'

The consultation proposal is to set night flights restrictions for a period of five years to 2022; accordingly, the restriction will not cover the period in which a proposed new runway at Heathrow would be operational and 'any ban on night flights at an expanded Heathrow would be consulted on separately', as specified by the Ministerial Statement.

Alongside the consultation proposal, DfT has also published several related documents:

- Noise exposure contours on Ordnance Survey maps;
- Noise exposure contours around London airports guidance; and
- DXF noise exposure contours for specialist users.

The consultation closes on 28 February.

### Airspace management and modernisation inquiry launched

The House of Commons Transport Committee has launched an inquiry into airspace management and modernisation, to determine the need for change to current structures, and potential barriers

to implementing those changes.

The Committee is particularly interested in receiving submissions addressing some or all of the following: the role of Government in facilitating improvements to airspace; the need for modernisation; and the essential changes that need to be made to UK airspace.

The deadline for submitting written representations is 31 March.

## Roads

### Over 1bn investment in East of England road network

Transport Secretary Chris Grayling has announced that plans to improve journeys for drivers on some of the East of England's busiest roads will be launched over the next three months.

The eight announced schemes include the widening of the A12 (between Chelmsford and the A120 junction), improvements to the A428 between Cambridgeshire and Bedfordshire, and six major improvement schemes along the A47 in Cambridgeshire and Norfolk.

The schemes, worth up to £1.1bn in total, were first announced in the Government's Road Investment Strategy (December 2014); works are to be carried out by Highways England with the aim of starting by 2020. It is also advised that:

'Over the next few months public consultations will be held to give drivers, residents and businesses their chance to comment to ensure the best possible improvements are taken forward.'

DfT has confirmed too that it will support plans for a new motorway junction (Junction 7A) on the M11, near Harlow in Essex; this announcement builds on previous pledges by the Department for Communities and Local Government (DCLG) in relation to the intention to deliver 200,000 new homes as part of the Garden Villages programme. The new Junction 7A will help ensure, 'the delivery of 15,000 homes and support continued growth in the local economy'; the new junction will be located to the north of Harlow.

### Government announces road funding allocations to councils

Transport Minister Andrew Jones has announced which councils across

England are benefitting from a share of the £1.2bn local roads funding for the 2017-2018 financial years.

The funding comes from the new National Productivity Fund, announced in the Autumn Statement, - and the Pothole Action Fund. Detailed information about the monetary allocations can be found in the roads funding information pack.

Commenting on the announcement, the Minister said:

'The funding we have allocated today is focused on relieving congestion and providing important upgrades to ensure our roads are fit for the future - helping to build an economy that works for everyone.'

### Plans for tunnel under Stonehenge published

Plans for improvements to the A303, which will see the construction of a road tunnel at the historic Stonehenge site, have been announced by Transport Secretary Chris Grayling. The plans are part of a £2bn investment in the south west, and were first included in the 2014 Road Investment Strategy (December 2014).

The upgrade will develop the A303 corridor into a 'high quality, high performing route linking the M3 in the south-east and the M5 in the south-west, improving journeys for millions of people'. A consultation has been launched and is set to close on 5 March; following the consultation, 'the preferred route will be announced later in 2017'.

### Low carbon technology funding competition

The latest round of Advance Propulsion Centre (APC) competition funding has made available up to £35m for collaborative research and development funding with the aim being 'to take demonstrated on-vehicle technologies towards commercialisation in either on- or off-road vehicles'; grant-funded projects must 'develop technologies that will lead to significant reductions in vehicle CO<sub>2</sub> or other emissions'.

The competition funding is delivered in partnership with BEIS and Innovate UK. ■

## Cycling and walking

### Government announces funding to encourage walking and cycling to work

Funding allocations outside London, to encourage people to cycle and walk to work, have been announced by Transport Minister Andrew Jones. The £64m Government investment is aimed at supporting local projects over a 3 year period (2017-2020) and is part of a broader Government package of over £300m to boost walking and cycling during the current Parliament.

The funds have been allocated to 25 local authority bidders, all of which will receive a share of the £60m Sustainable Travel Access Fund (2017-2020). Moreover, the £3.8m Cycling to Work Fund will be invested in three city regions over the next 12 months, to support cycling as a means of transport for commuting.

DfT has also produced a map of the authorities who are receiving funding.

## Energy

### Affordable energy and clean growth backed by Industrial Strategy

Amongst its other objectives and commitments, the Industrial Strategy Green Paper (see headline news above) highlights the UK Government's commitment towards clean and affordable energy; the aim is to minimise business energy costs in order to support the competitiveness of UK companies, while effectively moving towards pursuing agreed climate change targets in the most cost-effective way.

Following the Green Paper's publication, Climate Change and Industry Minister Nick Hurd has announced funding for a series of energy innovation projects; the £28m funding boost, part of the Energy Innovation Programme 2016-2021, will support the development of smart systems, and will also be invested in industrial energy reduction and off-shore wind.

## Tidal lagoons

### Independent review backs tidal lagoons

On 12 January, the awaited final report of the Independent Review into the feasibility and practicality of tidal lagoon energy in the UK was published.

The so-called Hendry Review (named after the former Energy Minister who led the review) was commissioned in February last year, to assess (amongst its other aims) whether tidal lagoons could play a strategic (and cost-effective) role as part of the UK energy mix, and whether a competitive framework could be put in place for the delivery of tidal lagoon projects.

The Independent Review supports the case for tidal lagoon projects, stating that:

'...tidal lagoons would help deliver security of supply; they would assist in delivering our decarbonisation commitments; and they would bring real and substantial opportunities for the UK supply chain.'

Commenting on the publication of the final report, Charles Hendry stated:

'I believe that the evidence is clear that tidal lagoons can play a cost effective role in the UK's energy mix and there is considerable value in a small (less than 500 MW) pathfinder project.'

The final report also backs the already-consented Swansea Bay lagoon scheme, as this 'should be considered as an electricity project to all intents and purposes, but one which would incidentally bring very real and substantial economic and recreational benefits to the Swansea Bay area.'

Finally, the Review also calls on Government to issue a National Policy Statement (NPS), to:

'... give confidence to industry that the Government is serious in its intent to see lagoons being developed. I [Charles Hendry] therefore recommend that the consenting process should be informed by a National Policy Statement similar to nuclear new-build, where specific sites are designated by the Government as being suitable for development.'

As specified by Energy and Industry Under-Secretary Jesse Norman in the Commons, a Government response will be published 'in due course'.

## Carbon capture and storage (CCS)

### Yorkshire and Humber CCS cross-country pipeline refused by SoS

In a long-awaited decision (14 weeks longer than the three statutory months), BEIS Secretary Greg Clark has refused development consent for the Yorkshire and Humber carbon capture and storage cross-country pipeline. The decision was taken on 11 January 2017, against the Examining Authority's recommendation to grant development consent for the scheme.

As referred to in the SoS' decision letter, one of the reasons for refusal (and for the disagreement with the Examining Authority's recommendation made in August 2015) relates to the closure of the Government's CCS Commercialisation Programme (November 2015) and the related consideration of the need case. The decision letter states:

'...as development consent for the White Rose project was refused on 13 April 2016, the emitter around which the Application is framed has been lost and the need case for the Development has been significantly diminished.'

Looking more widely at CCS, a Westminster Hall debate on UK decarbonisation and CCS took place on 24 January; Jesse Norman, the BEIS Under-Secretary, represented the Government on that occasion and specified:

'The Government absolutely believe that CCS has a potential role in long-term decarbonisation, but it must be affordable. It is worth noting that we are not by any means the only country seeking to crack CCS from a cost perspective. Projects have been deployed, particularly in north America. However, the United States, Canada and Norway have all cancelled projects, so we are taking the time to look hard at CCS to see whether we can find a cost-effective pathway.'

Prior to the Westminster Hall debate, the House of Commons Library produced a debate pack on UK decarbonisation and CCS; this provides additional details on CCS as a way of 'decarbonising' fossil fuel power generation, through capturing and storing the carbon dioxide (CO<sub>2</sub>) produced. ■

## Wales

### Effect of the UK leaving the EU on infrastructure in Wales

On 17 January, a debate on the effects of leaving the EU on Infrastructure projects in Wales took place at Westminster Hall; Wales Under-Secretary Guto Bebb responded on behalf of the Government, shedding some light on future funding agreements following the UK's departure from the EU:

'The decision as to whether a European project in Wales is in accordance with the UK Government's priorities is based, in effect, on whether the Welsh Government are in favour of the project. European-funded projects in Wales are signed off by the Welsh Government. If the south Wales metro scheme is under way and there is a commitment of £106 million of European funding for the project, that £106 million will be underwritten by the Treasury. I hope that that is clear—it is as clear as I can make it.'

Prior to the debate, the Commons Library prepared a debate pack highlighting three of the main potential consequences for future infrastructure projects, these being:

- A reduction in the amount of funding available for infrastructure projects, if EU funding is not fully replaced by UK government funding;
- Fewer options for the Welsh government and local authorities to obtain funding/ financing; and
- UK-controlled funding being allocated according to UK goals and priorities, which may be different from EU goals and priorities.

### NIC for Wales' remit should include housing land supply

The National Assembly for Wales' Economy, Infrastructure and Skills Committee has published a report looking at the National Infrastructure Commission for Wales (NICfW), setting out recommendations for the Commission's development which are expected to 'feed into the Welsh Government's consultation and the Cabinet Secretary's 'pragmatic approach' to developing the NICfW'.

The report recognises that the Committee largely agrees with the Welsh Government's proposals, although different views were taken on three key areas - one of these being housing land supply. Specifically, the Committee's first recommendation is that:

'The remit of the Commission should be extended to include the supply of land for strategically significant housing developments and related supporting infrastructure alongside the economic and environmental infrastructure.'

### TAN 8 database 2016 – review of on-shore wind farm development

The Welsh Government has published a Technical Advice Note (TAN) which summarises the output of on-shore wind farm developments of over 5 MegaWatts which are being considered, have been approved or are operational in Wales.

### Telecommunications equipment – 'Quick Guide'

'In Brief', the National Assembly for Wales Research Service blog, has published a quick guide that looks at the planning process for telecommunications equipment.

The Guide details the typology of development that is categorised either as: permitted development; permitted development with prior approval; and development that requires planning permission. It also gives further details concerning the potential health risks associated with these developments, and how they are addressed, as well as recent changes to the planning process.

## Scotland

### Draft Energy Strategy published

The first-ever Scottish Energy Strategy has been published in draft form by the Scottish Government, setting out a new target for delivering 50% of the energy required for heating, transport and electricity needs from renewable sources by 2030.

The draft Scottish Energy Strategy sets a vision for 2050 for Scotland to have 'a modern, integrated energy system that delivers reliable, low carbon energy at affordable prices to consumers in all parts of Scotland'.

The Scottish Government is now seeking views on a number of matters, such as: the future of on-shore wind developments; innovation in off-shore wind; and the development and use of emerging energy sources and technologies.

The consultation on the draft Energy Strategy closes on 30 May.

Alongside the publication of the draft Energy Strategy, the Scottish Government has also issued a draft statement on on-shore wind developments; the statement confirms existing Scottish Government policies on on-shore wind schemes, as set out in previous publications. It also seeks views on a wide range of issues, such as barriers to deployment, and developing a strategic approach to new development. The statement is also out for consultation until 30 May.

### Consultation on fees to recover mining operation monitoring costs launched

The Scottish Government has launched a consultation that seeks views on proposals to enable planning authorities to charge operators for undertaking monitoring of surface coal mining permissions, including planning conditions, legal agreements and restoration financial guarantees.

The consultation document underlines how 'at present the Scottish Government considers that fees for monitoring are merited in order to recover some of the on-going costs of ensuring that conditions imposed to mitigate impacts are properly implemented and monitored'.

The consultation closes on 9 April. ■