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Spending Review Must Deliver Committed Vision For Infrastructure

The Government must take bold steps to speed up and reduce the cost of delivering infrastructure in the UK, according to the sector's leading industry bodies.

The Infrastructure Alliance represents individuals and companies who together build and maintain the UK's utilities and transport networks. It is calling for the Government to use its Spending Review on 26 June to make a long-term commitment to deliver the infrastructure that will drive growth in the economy.

Currently UK infrastructure delivery suffers from short-termism and uncertainty, risking the future of the sectors 200,000 employees as well as the companies they work for. Historically this lack of commitment has led to the build up of an 'infrastructure deficit' that costs the economy an estimated £78 billion each year in lost activity.

The Government has the opportunity to change this. It has indicated that it supports the provision of greater certainty for the sector, guaranteeing long-term capital spending to build confidence among suppliers. This in turn will dramatically reduce the cost of delivering assets.

The Infrastructure Alliance believes this support must be confirmed at the Spending Review, and calls for the following actions to ensure that this is achieved:

- **Identify opportunities to reduce current spending and use savings to fund capital works with high economic returns.**
- **Commit to five-year funding certainty for the English strategic roads network.**
- **Provide clarity on decision-making about how the strategic road network is owned and managed in the longer term.**
- **Enable local authorities to use prudential borrowing to carry out a one-off programme of works to address a £10 billion highway maintenance backlog.**
- **Develop models to increase the use of private finance to fund flood protection, while using limited public funding to address high-risk projects.**
- **Maintain support for a positive settlement for Network Rail through the current 2014-19 periodic review process.**
- **Provide, for the first time, a long-term capital investment commitment to Transport for London to efficiently address the significant capacity issues the city faces.**
- **Support local bodies to deliver small but vital projects needed by communities nationwide by increasing loan availability and allowing industry to assist in scheme development.**
- **Provide an update on the UK Guarantees scheme, while opening it up to unlock a wider range of important projects.**



Association for Consultancy and Engineering chief executive Dr Nelson Ogunshakin OBE said: "Investment in infrastructure is crucial to the economic competitiveness of the UK as a whole, and financial and political certainty needs to be created and maintained to ensure its efficient and effective delivery."

Civil Engineering Contractors Association managing director Mark Roper said: "There is a very clear link between the creation of new infrastructure and economic growth. Yet our industry is impeded in the ability to deliver this growth where there is uncertainty over the future of the sector. We welcome the Government's commitment to greater certainty of investment, and look forward to this promise being crystallised at the spending review."

Construction Products Association chief executive Dr Diana Montgomery said:

"We have recently seen figures from the Office of National Statistics indicating that new infrastructure orders fell by nearly 50 per cent in the first quarter of the year. Given the essential role that our transport and utility networks play in the creation of growth and the fragile nature of the UK economy, such volatility is extremely worrying. We need the Government to act to provide greater certainty that the infrastructure the country needs will be delivered. By doing so it will release significant efficiencies, providing savings for taxpayers and customers"

Institution of Civil Engineers director general, Nick Baveystock, said:

"Despite Government's commitment to infrastructure acting as a catalyst for economic recovery and job creation, the severity of the investment cuts made in the 2010 spending review did little to aid this and the full impact is now starting to emerge. We are confident Government recognises this and intends to place infrastructure at the heart of this review, however the opportunity must not be wasted."

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Notes to editors

1. The Infrastructure Alliance brings together the four leading engineering and construction bodies, representing the £20 billion a year infrastructure industry: Association for Consultancy and Engineering, Civil Engineering Contractors Association, Construction Products Association and Institution of Civil Engineers.

We believe it is essential that industry works with Government and parliamentarians to deliver the infrastructure the UK needs in order to rebuild our economy, reduce congestion in our transport networks, develop the industry's skills base and ensure future energy needs are met.

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