Introduction

1. The BPF represents companies owning, managing and investing in property. This includes a broad range of businesses comprising commercial property owners, the financial institutions and pension funds, corporate landlords and residential landlords, as well as all those professions that support the industry.

2. We welcome the opportunity to respond to this Draft Bill and Programme following the final report of the Independent Armitt Review of Infrastructure. There is a clear need for a strategic, long-term, evidence-based and non-partisan approach to planning for the infrastructure of the UK as infrastructure, economic growth and development are all inextricably linked. The funding of new infrastructure needed to enable broader economic growth, for instance, may depend on the projected future rate income accruing from new development. Because of this, the focus of this review, and of any future National Infrastructure Commission, must be to further the sustainable long-term economic growth across the whole country.

Housing

3. Given the extent of the housing crisis in the UK, we are pleased there is the potential for housing to be included as national infrastructure and would support this inclusion.

4. The recently-published Lyons Housing Review highlighted the importance of increasing housebuilding. Given the inextricable nature of residential development and other major infrastructure sectors such as transport, connectivity and energy distribution and supply, we would support housing being included in the definition of national infrastructure in Part 4, 18 (1) of the Draft Bill.

5. The UK is facing a housing crisis, with prices eight times the average income and a drastic reduction in the public sector’s contribution to housebuilding. While incentives encouraging SME builders and self/custom-build homes are to be welcomed, there is a clear need for an increase in volume housebuilding to avoid a potential shortfall of two million homes by 2020. Recognising housing as national infrastructure, allowing it to benefit from streamlined planning and links to other major infrastructure, would be a significant help in tackling this challenge.
6. There are proposals in the Lyons Review to have an independent advisory Housing Commission to review and appraise whether the Government of the day is meeting housing need, and a national Housing Observatory to act as a single repository for key data and analysis. If implemented, there would already be a body evaluating these issues and there therefore would need to be some type of co-ordination and collaboration between that group and the National Infrastructure Commission.

7. We also support the recommendation, as put forward in the Lyons Review, that a national spatial assessment should be produced to draw together the spatial implications of government infrastructure and economic development policies, including the Sector Infrastructure Plans. This would help inform Local Plans and ensure national infrastructure decisions are linked to opportunities to build more homes.

Funding

8. We have previously stated our support for local authorities to have more freedom to explore innovative approaches to funding new and upgraded infrastructure. The most successful cities in Europe have more substantial powers and resources and operate within a much more decentralised national system than is the case with English cities (with the exception of London). Those running cities, working in partnership with business and other interest groups, are best placed to understand local needs – for instance on matters such as infrastructure – and to address them.

9. Given the likelihood that local authorities or city regions are likely to gain further fiscal powers in the coming years, there could be potential for difficulty in implementing the proposed Sector Infrastructure Plans if these are to be decided at departmental level. It is crucial that local authorities are involved in discussions at this stage to avoid a top-down approach to major projects.

10. In addition, the review must take into account the potential lack of funding available to Departments, and should allow for the inevitable funding constraints. Saying that, it would be useful to show Government the potential costs of pandering to short-term constraints and not investing in infrastructure, as poor infrastructure costs the UK £78 billion a year in lost output.

Consensus and collaboration

11. We support the need to cover all of the key economic infrastructure sectors in parallel, rather than isolation, in the full draft National Infrastructure Assessment. Given the wide breadth of infrastructure sectors which will be part of the Assessment, it is important that stakeholders within these different sectors work in tandem rather than duplicating work.
12. There is an assumption in the Review that cross-party consensus will be achieved by way of Parliamentary approval. In practice, a majority Government could push through a National Infrastructure Assessment and their amendments without cross-party consensus, particularly if the appointments to the Commission are political. As a permanent body, the Review could become absorbed by the political agenda of the day which would therefore undermines the independence of the Commission.

13. It is vital that there is a process of collaborative understanding between Government and appropriate members of the industry, and that this is impartial and non-partisan. All the members of the Commission essentially being appointed by the Chancellor or the Chair (who is appointed by and therefore, some would say, indebted to the Prime Minister) could pose a challenge to this impartiality.

Planning

14. We believe the Planning Act 2008 was a significant and helpful step forward in reducing the amount of time taken to respond to major planning applications, thanks to the introduction of the nationally significant infrastructure project (NSIP) regime. We are pleased the Review agrees with the outcome of 2013 review which stated that the system is operating well and that major change would be unnecessary and undesirable.

15. While we welcome the Review’s ambitious timetable, it would be helpful to know what punishments Departments would face if they failed to meet these. While the timetable calls for the Sector Infrastructure Plans to be approved by Parliament for implementation by Departments within two years, this by no means would result in work starting on the projects that quickly, as further time must be allowed for the planning application process.

Conclusion

16. We welcome a non-partisan, evidence-based vision which would incorporate the infrastructure requirements of the UK, and recommend any plan focus on the sustainable, long-term economic growth of the whole country. We also recommend housing be included as national infrastructure in order to increase much-needed supply.

We would be pleased to discuss or amplify any of the points raised in our response.

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