

## CECA Consultation Response

Civil Engineering Contractors Association  
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29 February 2016

Dear Sir / Madam

### National Needs Assessment - Call for evidence

The Civil Engineering Contractors Association (CECA) welcomes the opportunity to respond to the above named consultation.

CECA is the representative body for companies who work day-to-day to deliver, upgrade, and maintain the UK's transport and utility networks.

With more than 300 members throughout England, Scotland and Wales, we represent firms who together carry out up to 80 per cent of all civil engineering activity in the UK, in the key sectors of transport, energy, communications, waste and utilities including electricity and water.

Our members include some of the largest construction firms as well as a range of small specialist and regional contractors. Our industry supports the employment of over 200,000 people in the UK with annual activity worth £25 billion.

We welcomed the news in October 2015 that Chancellor George Osborne would establish an independent infrastructure Commission to help Government plan for the long-term. This is a policy change we have been calling for since 2013.

We anticipate that the new Commission will be given real authority to assess and make proposals for long-term major infrastructure projects alongside its development of innovative solutions to fund these infrastructure requirements.

In our view, the Commission should build on the existing National Infrastructure Plan to provide an overarching national infrastructure policy framework, linking to all Government departments and major stakeholders, helping to align strategies.



A National Needs Assessment will provide a useful basis from which to carry out this work. We have responded below to the questions where we feel we can add the most value.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Alasdair", followed by a horizontal line extending to the right.

Alasdair Reisner  
Chief Executive  
Civil Engineering Contractors Association

- **Do you agree with our proposed vision and outcomes? What amendments would you propose?**

CECA is broadly supportive of the proposed vision and outcomes of the National Needs Assessment. However, we would suggest that the order of the priorities should be amended to ensure that the first objective of building infrastructure is to improve the lives of the population. While economic growth is vital, and underpins these improvements, there is a risk that we focus too much on economic growth while underplaying the real improvements that new and improved infrastructure makes to people's lives.

Our views are confirmed in a recent report published by the Copper Consultancy that found that while 90 per cent of the British public wanted to see investment in new infrastructure, many also wanted more of a say in how it's planned and delivered. Notably the report found that many people felt that infrastructure projects happened 'to them', not 'for them' and they did not see any local or national coordination. We therefore agree with the findings of the report which concluded that community engagement, consultation and leadership from politicians and technical experts would all increase confidence and consensus in the infrastructure sector within the wider public. This would ensure people understand and believe that infrastructure is being built to enhance their lives rather than just to deliver a business case.

- **What will be the main constraints on the UK's ability to provide sufficient UK national economic infrastructure assets and services over the period and what solutions or mitigations of those constraints should the UK adopt?**

We believe that the key challenges on the UK's ability to deliver infrastructure over the coming years will be:

Achieving and maintaining public support for delivery

See comments made above.

Achieving cross-party consensus for an infrastructure plan for the long-term

The development of infrastructure in the UK has, historically, lacked long-term strategy.

This has meant that large projects such as Crossrail and High Speed 1 have taken far too long to develop and build. Today, the delays we see in solving the problems of airport capacity reflect this challenge.

These delays, mainly caused by a lack of political consensus, have been costly for the taxpayer and UK plc. While substantial progress has been made - most notably the development of the National Infrastructure Plan – a long-term strategy is needed to ensure the UK's infrastructure truly meets the expectations of business and the

general public. We hope that the Commission will help achieve this, but recognise that political support remains as a potential constraint.

### Resources in terms of materials, products and particularly people

#### **People**

A survey of our members carried out last year found that 83 per cent of construction firms believed that a cohesive plan for infrastructure skills should be developed.

Major programmes of investment in roads, rail and power networks are planned for the next few years, with the construction industry predicted to require 45,000 new recruits a year. Yet, one in five UK vacancies remain unfilled because of a poor skills base.

For that reason we welcomed the publication last year of the first ever *National Infrastructure Plan for Skills* in tandem with the existing *National Infrastructure Plan* to ensure that the UK has the skills it needs to maintain and deliver world-class infrastructure.

The challenge now will be to convert this high level strategy into a better approach to matching skills supply and demand across the sector. We are working with our members and stakeholders to ensure that this is the case, but realise that with the need to upskill some 250,000 existing employees while recruiting a further 200,000, skills demand will remain a key constraint on infrastructure delivery in the near

#### **Finance/funding**

As well as human resources the availability of funding is, and will continue to be, a constraint on the delivery of the infrastructure that the country needs. As with every other nation, the UK faces the challenge of balancing off the need to invest in the upgrade and maintenance of its infrastructure networks with the ability to pay for this work.

We believe that this will remain a considerable challenge, at a time when the resources of both Government and individuals remains constrained. We would anticipate that this will drive an increasing need for effective assessment of the case for each infrastructure investment, to ensure that only those interventions that deliver the greatest value are progressed.

We also expect to see much greater work to match the sources of funding for projects with the expected beneficiaries. We have seen moves in this direction with the funding model for Crossrail, where more of the cost of the project has been shared with businesses along the route, either through direct contribution or the business rate supplement.

- **What opportunities and challenges are presented by devolution of infrastructure decision making?**

Infrastructure provision in many city regions across the UK has become increasingly fragmented and we are supportive of the devolution process across the UK.

Many transport operators and public bodies often struggle to fully coordinate their roles meaning that the provision of services is not always as efficient as it could be.

The UK economy must be rebalanced and devolution plays a key role in this. However, there will be challenges around the competence of devolved decision-making and the ability to convert policy and funding into the delivery of infrastructure which is largely unproven outside of London.

To this end, we are keen to offer support from industry in an advisory capacity working with local partners to uncover and understand barriers to progress. We believe that typical barriers will include local co-ordination and capacity issues as much as, or rather than, access to finance.