

# Infrastructure, Investment and Devolution

**CPF**

Discussion Brief 2020-5



CPF Discussion Briefs exist to stimulate debate. They do not necessarily represent the views of the Conservative Party.



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Dear Colleagues,

## 2020-5 Infrastructure, Investment and Devolution

Thank you to everybody who participated in our consultation on the environment and animal welfare. This consultation paper continues our series considering the Government's programme for legislation, as presented in the Queen's Speech, by exploring another of its major sections—namely, infrastructure, investment and devolution.

As life begins to return to some semblance of normality, following the easing of the lockdown restrictions, the question of how we can level up across the UK becomes all the more pertinent.

Please send your responses to the questions to [CPF.Papers@conservatives.com](mailto:CPF.Papers@conservatives.com), using the associated response form published alongside this paper on the CPF website. The deadline for submitting your response is 13th September. We aim to publish our next discussion paper on 14th September, on workers and families.

As a new innovation, watch your inbox for occasional "snap polls" that we have begun to send to members on our mailing list. Your responses to these are helping us to communicate the views of the Party's grassroots in a more timely fashion on current policy issues.

A summary of responses to this consultation paper will be sent to the Prime Minister's Policy Unit, relevant Ministers, Party Chairman and CPF Chairman within a month of the closing date for submissions. We look forward to hearing your ideas as, together, we continue to unleash the country's potential.

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## The Big Picture

*"Only by having a plan for prosperity will we grow the economy. Only by having a growing economy can we invest in our public services. And only by investing in our public services, the people's priority, can we send a clear message to those who rely on them: You are our priority. Our public services are the one of the most important tools by which we, the government, can level up and spread opportunity—so that no matter who you are or where you were born, you'll have every chance to succeed in our modern dynamic economy."*

(Chancellor of the Exchequer, The Rt Hon Rishi Sunak MP)<sup>1</sup>

As we emerge from the coronavirus lockdown, never has the Conservative Party and Prime Minister's agenda to level up and invest infrastructure been so important. To help communities across the country to prosper, we will continue modernising our roads and railways, and improving the everyday services that people rely on to get to work, visit friends and access local services. Strengthening these vital connections, ensuring journeys are quick, reliable and clean, is central to our ambition to level up the country and kickstart regional economies as we rebuild the economy.

This government has an ambition to deliver an "infrastructure revolution". This includes levelling up economic and social infrastructure, with an additional £640 billion investment commitment to ensure that all citizens across the UK will benefit. But too often we let the people of this country down, because our projects are late, cost more than planned, or fall short on their promised benefits.

We need to take action collectively across government, and indeed across the wider public sector and private sector too. We need to fix the project delivery system. To do this we need to focus on the three "P"s: people, principles and performance, to improve the effectiveness of delivery and provide better outcomes for citizens:

- Making sure our **people** have the tools, competence and skills they need to deliver.
- Being clear about the **principles** of delivery and getting the basics of delivery right.
- Driving a step change in **performance** so we can meet future challenges.<sup>2</sup>

Devolution aims to provide local areas with the levers they need to drive growth, boost productivity in local economies and improve and integrate public services. The Government is committed to giving communities more control over how investment is spent so that they can decide what is best for them. This will be set out in an English Devolution White Paper in 2020 providing further detail on the Government's plans for full devolution across England, increasing the number of mayors and devolving more powers, including doing more devolution deals.<sup>3</sup>

## Questions for discussion

1. In what ways, if any, should our priorities be changed to reflect (i) the coronavirus lockdown, (ii) our commitment to "level up" and (iii) the green agenda?
2. To what extent should we invest in (i) different forms of infrastructure (e.g. transport, digital or power and utility networks), (ii) different areas of the country (e.g. those most affected by coronavirus or the lockdown) or (iii) different modes of transport (e.g. rail, bus, car, cycle or walking)?
3. What needs to change in our planning system to allow infrastructure to be built more quickly, cheaply and of better quality, yet without losing community input?
4. What additional powers do you think should or should not be devolved?
5. Is there any other observation you would like to make?

## Recent government action

- Setting out our ambitious “New Deal” to rebuild Britain across the UK, bringing forward £5bn of capital investment projects to put jobs, skills and infrastructure investment at the heart of our economic recovery post-coronavirus, and delivering on our manifesto pledges to level up the entire country.<sup>4</sup> This includes:
  - £1.5bn this year for hospital maintenance, eradicating mental health dormitories, enabling hospital building, and improving A&E capacity. This will improve patient care, make sure NHS hospitals can deliver world-leading services and reduce the risk of coronavirus infections.
  - £100m this year for 29 projects in our road network to get Britain moving, from bridge repairs in Sandwell to boosting the quality of the A15 in the Humber region. Plus £10m for development work to unblock the Manchester rail bottleneck, which will begin this year.
  - Over £1bn to fund the first 50 projects of a new, ten-year school rebuilding programme, starting from 2020-21. These projects will be confirmed in the Autumn, and construction on the first sites will begin from September 2021.
  - £560m and £200m for repairs and upgrades to schools and FE colleges this year.
  - £142m for digital upgrades and maintenance to around 100 courts this year, £83m for maintenance of prisons and youth offender facilities, and £60m for temporary prison places, creating thousands of new jobs.
  - £900m for a range of ‘shovel ready’ local growth projects in England over the course of this year and next, as well as £96m to accelerate investment in town centres and high streets through the Towns Fund this year. This will provide all 101 towns selected for town deals with £500k-£1m to spend on projects such as improvements to parks, high streets, and transport.
- Announcing the most radical reforms to our planning system since the Second World War, making it easier to build better homes where people want to live, plus measures to back home building, including a £12 billion affordable homes programme that will support up to 180,000 new affordable homes for ownership and rent over the next 8 years.<sup>5</sup>
  - New regulations will give greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings.
- Investing record amounts—triple the average over the last 40 years—to build the railways and roads of the future. £640 billion of capital investment will be invested in roads, railways, communications, schools, hospitals and power networks. Over the Parliament, public sector net investment will be triple the average public sector net investment over the last 40 years.<sup>6</sup>
- Launching a £2.5 billion Transforming Cities Fund to improve transport links and make it easier for people to visit family and friends and get to work. Part of the National Productivity Investment Fund, this money supports investment in public transport to boost connectivity and reduce congestion.<sup>7</sup>
- Embarking on the biggest rail modernisation programme since Victorian times. We are spending £48 billion to deliver rail projects, including a £500 million fund to rejoin many of the towns cut off from the railway network during the Beeching cuts of the 1960s.<sup>8</sup>
- Investing in Wales’ railways so that they are fit for the future. The Government’s Great Western Modernisation Programme, including our £5.7 billion investment in new, state of the art IEP trains, will cut journey times from South Wales to London by 15 minutes. The New Stations Fund has delivered £2.15m for Pye Corner in Newport and £4m for Bow Street in Aberystwyth. £16.1m has been invested in the Halton Curve, linking North Wales and Liverpool. £300m has been spent on signalling improvements in the Cardiff area and £50m on signalling in North Wales.<sup>9</sup>
- Giving the green signal to HS2, boosting rail capacity, connectivity and cutting journey times between our biggest cities. HS2 will form of the spine of Britain’s railways, delivering a vast increase in capacity, with hundreds of thousands of extra seats and significantly faster journey times.<sup>10</sup>
- Spending £29 billion on improving England’s roads—the biggest ever single cash injection. We will also spend an additional £500 million a year to repair 10 million potholes a year.<sup>11</sup>

- Investing £5 billion to level up local transport connections throughout the country, making every day journeys easier, greener and more convenient. We will invest £5 billion of new funding to overhaul bus and cycle links for every region outside London over the next five years.<sup>12</sup>
  - We have published fast-tracked guidance for local authorities, so that the amount of roadspace for pedestrians and cyclists is increased and we create more low-traffic neighbourhoods.<sup>13</sup>
- Spending almost £1 billion to ensure everyone is always within 30 miles of a rapid charger for electric vehicles, encouraging more people to switch to cleaner vehicles. In addition to the £400 million already invested, we will spend £500 million to complete a fast-charging network for electric vehicles.<sup>14</sup>
- Delivering tax reliefs worth £2.3 billion for the North Sea oil and gas sector. The UK Government effectively abolished Petroleum Revenue Tax by reducing the rate from 35 to 0 per cent and reducing the Supplementary Charge from 20 per cent to 10 per cent. In the last budget it was announced that the tax history of an oil and gas field will be transferable, allowing younger smaller operators to take on older fields and continue extraction or start decommissioning.<sup>15</sup>
- Supporting Growth Deals across Scotland with an extra £1.4 billion of investment. The UK Government has committed £500 million to the Glasgow Deal, £150 million to the Tay Cities, £125 million to the Aberdeen Deal, £53 million to the Inverness Deal, £300 million to the Edinburgh Deal and £45 million to the Stirling Deal. £260 million in funding was announced for the Borderlands Growth Deal, and more recently the UK Government has recently pledged £103 million in funding for Ayr and the Ayrshire region, and £65 million for the Moray region.<sup>16</sup>
- Building the UK's first spaceport in Sutherland. Investment will bring £2.5 million towards a vertical launch site in Sutherland and create hundreds of new high skilled jobs. The UK Government will also invest a further £2 million in horizontal launch sites—of which Prestwick is a contender for funding.<sup>17</sup>
- Delivering a City or Growth Deal in every area of Wales. We have committed £500 million for the Cardiff Capital Region City Deal, £115 million for the Swansea Bay City Deal, £120 million for a North Wales Growth Deal and £55 million for a Mid Wales Growth Deal, generating investment, jobs and prosperity in the region. We will also begin work on a cross-border Marches Growth Deal.<sup>18</sup>
- Providing £2 billion to support the new Northern Ireland Executive bring about much needed reforms to public services and upgrades to crucial infrastructure. The financial support will end the nurses' pay dispute, transform public services and turbocharge infrastructure investment. It will be accompanied by stringent conditions to deliver a greater level of accountability and sustainability.<sup>19</sup>

## Endnotes

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- <sup>1</sup> Budget Speech 2020, HM Treasury, 11 March 2020, [link](#)
  - <sup>2</sup> Fixing the project delivery system, Infrastructure and Projects Authority, 29 January 2020, [link](#)
  - <sup>3</sup> Devolution annual report 2018 to 2019, Ministry of Housing, Communities & Local Government, 22 April 2020, [link](#)
  - <sup>4</sup> 'Build build build': Prime Minister announces New Deal for Britain, Prime Minister's Office, 30 June 2020, [link](#)
  - <sup>5</sup> PM: Build, Build, Build, Prime Minister's Office, 30 June 2020, [link](#)
  - <sup>6</sup> Budget 2020, HM Treasury, 11 March 2020, [link](#)
  - <sup>7</sup> Budget 2018, HM Treasury, 29 October 2018, [link](#)
  - <sup>8</sup> Government pledges £500 million to bring back historic rail lines, improving connectivity for communities across the country, Department for Transport, 28 January 2020, [link](#); New trains to be rolled out across the country alongside £48 billion investment to upgrade tracks, Department for Transport, 15 May 2019, [link](#)
  - <sup>9</sup> New station boost for passengers thanks to £16 million government investment, UK Government, 28 July 2017, [link](#); Work gets underway on 'Halton Curve' to boost Liverpool City Region, Cheshire and North Wales rail links, UK Government, 14 July 2017, [link](#); Network Rail Limited Annual Report and Accounts 2018, Network Rail, 27 June 2018, [link](#); North Wales passengers benefit from newly commissioned signalling system, Network Rail, 26 March 2018, [link](#)
  - <sup>10</sup> PM confirms HS2 will go ahead alongside revolution in local transport, Prime Minister's Office, 11 February 2020, [link](#)
  - <sup>11</sup> Budget 2018, HM Treasury, 29 October 2018, [link](#); Budget 2020, HM Treasury, 11 March 2020, [link](#)
  - <sup>12</sup> Major boost for bus services as PM outlines new vision for local transport, Prime Minister's Office, 10 February 2020, [link](#)
  - <sup>13</sup> £2 billion package to create new era for cycling and walking, Department for Transport, 9 May 2020, [link](#)
  - <sup>14</sup> Budget 2020, HM Treasury, 11 March 2020, [link](#)
  - <sup>15</sup> UK government committed to maximising economic opportunity in North Sea, Department for Business, Energy & Industrial Strategy, 30 August 2017, [link](#)
  - <sup>16</sup> City Region & Growth Deals, UK Government, [link](#); £65 million for Moray Growth Deal, Cabinet Office, 11 July 2019, [link](#)
  - <sup>17</sup> UK Government funding for vertical launch spaceport in Sutherland, UK Government, 15 July 2018, [link](#)
  - <sup>18</sup> Office of the Secretary of State for Wales – Single Departmental Plan, UK Government, 23 May 2018, [link](#); Budget 2020, HM Treasury, 11 March 2020, [link](#)
  - <sup>19</sup> UK Government commits £2bn to support new Northern Ireland Executive, NIO, 15 January 2020, [link](#)