

Dear Prime Minister,

I am writing in my capacity as Chair of the Advisory Council of The Infrastructure Forum. The Forum brings together senior representatives of the major public and private sector organisations involved in UK infrastructure.

The Forum welcomes your Government's commitment to drive economic growth and the recognition that development and renewal of critical national infrastructure is central to that growth agenda, while also meeting the UK's net zero and climate adaptation goals.

Last week The Infrastructure Forum brought together a group of experts in Whitehall governance, infrastructure development, climate change and the work of the National Infrastructure Commission and Infrastructure and Projects Authority, to debate the key foundations necessary to deliver these outcomes. This letter summarises our conclusions:

1. **Clarity in government policy and development of project pipelines are essential for boosting confidence in the infrastructure sector.** It is crucial that market participants comprehend the Government's future direction, plans, and priorities for infrastructure development. Your proposal for a ten-year national infrastructure strategy provides a vehicle to do this, provided it is carried through into detailed implementation plans by Departments.
2. **Number 10 must play a high profile and continuing role in promoting investment in infrastructure.** Effective action requires the Prime Minister's continuing personal support and engagement to ensure Government Departments align behind policies to drive pace and efficiency in infrastructure investments. There must also be clear ministerial responsibility to advocate infrastructure developments in different sectors. A Cabinet Committee on infrastructure has proved to be successful in the past in driving the infrastructure agenda and in marshalling Whitehall. Ensuring the placement of infrastructure specialists within Departments will also be crucial to formation of policy and driving delivery.
3. The proposal for a new body, tentatively named the **National Infrastructure and Service Transformation Authority** (NISTA) will be central to prioritisation of the infrastructure pipeline and its effective delivery. To achieve this, NISTA must be an arm's length body reporting to the Chancellor or Chief Secretary to the Treasury and be established in a way that provides it with high levels of authority and allows independent expertise and knowledge to be deployed in a transparent way. It should be empowered to direct action by Departments either directly or through the Treasury or a Cabinet Committee. Early consultation with the sector the design and operation of NISTA is essential to the new organisation's success.
4. Central government should be better prepared to facilitate **honest and open conversations with consumers about the choices and challenges facing the UK.**

Given the numerous challenges across the infrastructure sectors, trade-offs are inevitable and should be communicated to the public. Climate change and energy investments in particular should be presented primarily in terms of their significant long-term benefits rather than their costs. A new honest focus on long-term benefits across infrastructure generally is also crucial – as you know infrastructure projects may subsist for two, three or more times a government's term of office.

5. **Urgent action is needed to increase the attraction of the UK to infrastructure investors.** The Harrington Review secured wide support to deliver a step-change in international investment into the UK but was not followed up with recommended actions in the life of the previous Government. Revisiting and implementing Harrington would utilise a rich resource to which the whole business community contributed. It is also important to simplify and streamline the multiple pots of money on offer, make them easy to navigate, and offer clear and early guarantees of funding so that developers can take projects forward with confidence and in full possession of the facts.
6. The **establishment of sector-wide standards** is vital, for example on flood resilience and in setting criteria for zero-carbon new homes. These standards would serve as catalysts for change and innovation, offering clear guidance to supply chains and would be welcomed by the market as providing a level playing field.
7. Current Whitehall policies do not encourage the use of **private finance that is needed to power growth in an era of constrained public finances.** HMT's Green Book requires far reaching review to properly reflect long-term benefits of infrastructure investment. There are a number of characteristics of the most successful infrastructure financing structures that the Government should aim to replicate, for example the presence of an independent regulator; private sector governance, oversight and direction; maximising competition at each stage; and the sharing of risk amongst key players. On and off balance sheet rules need to be revisited in line with best international practice.

The Infrastructure Forum's network is extremely encouraged by your new Government's commitment to growth; to its planning reforms; and to the expertise which it is bringing into Government to address economic development. The Infrastructure Forum stands ready to provide any assistance from its experts across investors, owners, operators, professional advisers and regulators of UK infrastructure.

With good wishes,

Richard Threlfall,
Chairman of the Advisory Council of The Infrastructure Forum
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