

CBI



# Connecting Communities:

How the Spending Review can kickstart an infrastructure revolution that delivers for commuters

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# Introduction

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More than 6 months after the height of lockdown, the Coronavirus pandemic continues to have a dramatic impact on how businesses and their employees use transport networks.<sup>1</sup> For millions of people, commuting – defined in terms of travel ‘to/from work’ – will likely never be quite the same again.<sup>2</sup>

As laid out in the CBI and KPMG’s *Commuting Beyond the Coronavirus* report – businesses and policymakers have adapted to this dramatically altered environment. For government this has meant taking steps to keep commuter routes open that would have been unimaginable before, including through relief measures for rail and bus services. With cases rising again, it is likely challenges will persist. Government and regional bodies will need to continue to work with operators in moving to a new, sustainable market, supporting economic hubs.

The widescale response to the economic impact of Coronavirus will also continue to have a significant impact on public finances. Despite this, businesses across the country have welcomed the government’s reaffirmed commitments to investing in commuter networks.

With tightened purse strings, there is an even greater urgency now for a strategic approach to be taken to deliver these investments - one that responds to commuters calls for a more flexible, reliable, and low carbon commute.

After social distancing, the need for expensive additional peak commuting capacity may be less than it was, but new demands will likely take its place, driven by the opportunities and challenges unlocked by changes to the way we live.

To achieve maximum impact for commuters, government must tackle historic challenges around how funding is allocated and deployed, taking a more holistic approach to infrastructure decision making whilst also delivering at pace.

This should include a recognition that commuting is not just about transport, but also the wider housing market and access to jobs, reflecting how the crisis has likely impacted these interactions.

If the UK is to deliver world class infrastructure for commuters it must act now to embed these long-term shifts around transport, mobility, and housing demand into its decision making. It must also take a wider view of labour markets and place-making to inform policy and investment choices.

To support this, this paper sets out:

- 1. The need for a long-term vision for commuting, including a longer-term approach to funding and planning**
- 2. Why government should take a programme approach to transport infrastructure investment – taking into account government ambitions to level-up and decarbonise, interactions with housing and place-making, as well as significant changes to how we travel.**
- 3. How government can push ahead with projects, ensuring promises of investment are accompanied by faster and more effective project delivery**

The upcoming Spending Review provides a golden opportunity to begin to tackle some of these challenges. After consultation and several roundtables throughout 2020 with regional stakeholders and companies including infrastructure delivery firms, transport operators and the wider business community, this paper lays out a clear plan to make the most of planned investment in commuter networks.



# Summary of recommendations

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**Recommendation 1:** The government should supply Metro Mayors and Sub-National Transport Bodies (STBs) with long-term funding settlements for strategic regional infrastructure investment, ideally 10 years, with five years of fixed funding and five years of indicative funding. These settlements should be underpinned by strategic local infrastructure plans which look across transport, housing and place-making and should be complemented by a move towards multi-year budgeting within local authorities to allow for integrated long-term planning and investments.

**Recommendation 2:** Increases in capital funding must be accompanied by additional investment in infrastructure maintenance. This maintenance investment for local transport should move to being formula based.

**Recommendation 3:** The National Infrastructure Commission (NIC) should work with STBs and local authorities to conduct a strategic review of the level of investment that will be needed to truly 'level-up' regional commuter networks in the decades to come, taking into account the potential long term behavioral change in commuter transport network use driven by Coronavirus.

**Recommendation 4:** Government decisions on commuting infrastructure investment should focus on whole programmes of work – rather than individual projects – and should span across departmental and regional boundaries to address interactions and dependencies (for example between transport and housing).

**Recommendation 5:** The upcoming Green Book review should be used to embed a programme approach to investment planning and appraisal to address interactions between projects of different types and to update appraisal processes and techniques to account for the UK's legislation of a net-zero target.

**Recommendation 6:** To drive the uptake of a programme-based approach to assessment of investments, the IPA should create new training materials and programmes aimed at building the skills base of, and tools available to, officials involved in this work across both central and local government. £3 million should be made available at the next budget to support this.

**Recommendation 7:** Government should publish the business case, and how it contributes to the delivery of key objectives, including zero carbon and levelling-up, for every programme of investments in commuter networks it gives the green light to.

**Recommendation 8:** Alongside integrated plans for longer term investments, regions should produce lists identifying transport connectivity and related improvements that can be delivered within the next five years. The DfT's Acceleration Unit should provide support to these plans with MHCLG, LEPs and the LGA playing a role in encouraging best practice to be shared across regions.

**Recommendation 9:** The Acceleration Unit should look to expedite the design and planning phases of projects in the DfT's pipeline which have already received approval. To support this, government should use the upcoming planning reforms to set out new investment in resources at a local level, including through updating training for planning officials.

**Recommendation 10:** The government should develop a new approach to risk and cost certainty during early stages of project planning and design, recognising the trade-off between upfront certainty and quicker decision-making. This should include greater collaboration with industry to manage risk and moving away from establishing single point cost estimates to providing estimate ranges.



# Planning for the future: the need for a long-term vision for commuting

## **A longer-term approach to planning and funding would overcome the stop-start delivery of transport improvements and support the creation of a strategic vision for improving commuter networks**

For many years local and regional authorities have struggled to draw up, fund and deliver coherent long-term plans to build and maintain more integrated transport networks. As changes to commuter networks accelerate, with the need to meet the UK's decarbonisation targets and make the most of rapid advances in transport technology, there is a requirement to ensure strategies, funding and delivery are more joined up.

In part, this problem exists because whilst strategies may seek to address long term ambitions, government funding has been too short-term, cyclical, driven by different departments and often bid based. This has led to cliff edges for both public bodies and businesses involved in the delivery of transport infrastructure as uncertainty grows towards the end of funding periods. This undermines the kind of integrated planning necessary to maximise returns from public investment and meet long term plans.

Over 80% of the short-term funding made available by government over the last three years has required councils to put together competitive bids in different siloes. As a result, local authorities have had to allocate significant resources to short-notice applications that have had a high risk of failure and which do not take account of interactions between projects.<sup>3</sup> The Urban Transport Group has found that for the Transforming Cities Fund alone, some authorities ended up spending nearly £1m on the bidding process.<sup>4</sup>

Another challenge of delivering long term investment strategies for commuter transport networks has been a capacity and capability gap in people, which has only widened in recent years. Between 2010/11-2017/18, there was a 49% reduction in real-terms government funding for local authorities which businesses report had a significant impact on training, development and retention of strategic planning and project delivery professionals.<sup>5</sup>



## **Government must drive a more strategic, integrated, and long-term approach to transport infrastructure**

Some of the problems that limit local government's ability to plan ahead cannot be addressed quickly, or by central government alone. However, feedback from businesses suggests there are three key steps that it can take to enable longer term and more integrated approaches to regional investment in commuter networks.

### **1. Give local areas longer-term funding settlements so they can plan with confidence**

Longer-term funding settlements will give local government leaders the confidence they need to take a more strategic approach to the investments in local transport infrastructure that can most readily improve commuters' journeys and the inclusiveness of labour markets.

The government should therefore provide a longer-term settlement for regional transport investment - ideally 10 years, with five years fixed funding and five years of indicative funding to reflect the parliamentary cycle. To avoid a cliff-edge in funding, the indicative investment should become fixed part way through the first five-year cycle.

This approach could be similar to the funding mechanisms that currently exist for national rail and road, where funding and strategy is set on the basis of five year time horizons. In these, consultation with industry on the next funding cycle begins before the period concludes.

Although it's important to acknowledge that these programmes do still have some challenges, these new approaches have driven a step change in the management of infrastructure investment.<sup>6</sup>

While government's commitment at the last budget to give mayoral combined authorities five year funding settlements was a step in the right direction, it does not go far enough, particularly as parts of the country without an elected mayor are excluded. Even where there is an elected mayor, the commitment is too narrow in scope.<sup>7</sup> While it is important to acknowledge the political constraints of differing local government election cycles across the country, it is important that longer term funding settlements are drawn up that meet the needs of every region of the country. Transforming commuter networks will require all local leaders to be able to look beyond this Parliament, and be able to integrate transport, housing and regeneration investments as well as going beyond traditional funding sources.

To avoid exacerbating regional disparities further, government should therefore also provide similar long-term transport funding arrangements for areas which are not currently covered by a devolution deal. Where there is no Metro Mayor, business believes well-resourced and empowered Subnational Transport Bodies (STBs) could be best placed to deploy this funding effectively, with suitably enhanced governance to ensure value for money is delivered. This should include greater transparency around how money will be spent to deliver on local strategic transport objectives and agreeing KPIs to hold local leaders to account.



These long-term funding settlements will also allow for regional decision makers to develop greater capacity and capability for the strategic planning of investments in commuter transport networks, and to forge the necessary links between individual planning decisions and wider policy.

**Recommendation 1:** The government should supply Metro Mayors and STBs with long-term funding settlements for strategic regional infrastructure investment, ideally 10 years, with five years of fixed funding and five years of indicative funding. These settlements should be underpinned by strategic local infrastructure plans which look across transport, housing and place-making and should be complemented by a move towards multi-year budgeting within local authorities to allow for integrated long-term planning and investments.

## **2. Support local authorities to ensure commuter networks are well maintained**

A focus on longer term funding settlements will need to be matched by government providing the right level of resources for infrastructure maintenance. Put simply, under current circumstances, a local authority may win the capital funding to build a new piece of infrastructure, such as a cycle lane, but it will struggle to access the revenue funding to maintain it thereafter. As a result, commuters may see some initial benefits but will lose out as new infrastructure is poorly maintained and ineffectively integrated with other services. The government needs to commit to maintaining what it builds in a fit and usable state.

The NIC has highlighted that the economic case for maintenance is strong and that local transport authorities should have stable and devolved infrastructure budgets covering both capital and resource spending.<sup>8</sup> Similarly, the Transport Select Committee has proposed a front-loaded, long-term funding settlement to local authorities as part of the forthcoming Spending Review so that they can tackle historic road maintenance issues.<sup>9</sup> Business now urges the government to follow suit, devising resource and capital investment based funding settlements that will enable local authorities to develop their maintenance capabilities.

Similarly, when funding is made available to local authorities, it needs to be made easier to access. Moves to reduce the complexity of securing funding by making all maintenance funding from central government formula-based will free up capacity for local teams to plan ahead with some certainty about the resources available. The change would also ensure greater equality of access to funding as the prohibitive costs of some bidding processes will be removed.

**Recommendation 2:** Increases in capital funding must be accompanied by additional investment in infrastructure maintenance. This maintenance investment for local transport should move to being formula based.

### 3. Empower the NIC to take a more active role in improving regional connectivity

To complement a more strategic approach at regional and local levels, business recognises the importance of having an independent voice with the expertise and oversight to coordinate the integration of improvements to commuter networks nationwide.

Since it was established in 2017, the National Infrastructure Commission (NIC) has taken this role to some extent. Its National Infrastructure Assessment in July 2018 was an important landmark, and business now eagerly awaits the overdue National Infrastructure Strategy (NIS) which will respond to its findings.

While the NIS will help set a strategic vision for UK infrastructure, business believes there is also the need for a wider review into the funding settlements regional decision makers will need to make the transport investments required to 'level-up' commuter networks across the country.

The Chancellor should commission the NIC to undertake this review and recommend that it consults with STBs and local authorities to also consider the significant behavioral changes the UK has seen in light of Coronavirus, including the implications this will have on how the public use the UK's transport networks. Because of the short-term impact of Coronavirus on the size of the UK economy, the government may need to consider allowing the NIC to make recommendations for investment that go beyond the current targeted amount of spend which sits at 1.2% of GDP.

The NIC's approach to its review into the rail needs assessment for the Midlands and the North, drawing up alternative models for investment depending on different funding allocations, is an example of the kind of approach it could take on a national scale.<sup>11</sup>

**Recommendation 3:** The NIC should work with STBs and local authorities to conduct a strategic review of the level of investment that will be needed to truly 'level-up' regional commuter networks in the decades to come, taking into account the potential long term behavioral change in commuter transport network use driven by Coronavirus.



# Investing in transport infrastructure: taking a programme approach

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**The government's current approach to project appraisal on a project-by-project basis limits its ability to maximise value for money and drive transformational change across the country.**

With commuter transport networks set to be transformed over the coming years by new patterns of travel, decarbonisation and the need to “level-up” connectivity across the country, the government can no longer afford to focus on a solely project-by-project approach to decisions about investment.

When investments are assessed in isolation with limited consideration of the critical interactions between projects, decision makers will get a distorted view of the returns to investment. These interactions mean that the impact of a programme is not the sum of its individual parts viewed in isolation. For instance, the impacts and relationships for a regeneration programme consisting of transport, housing and place-making investments need to be viewed in tandem to fully understand the value for money that will be delivered. To maximise returns therefore, programmes need to be designed as a whole, in a way that makes the most of these interactions.

A project by project view also makes it difficult to see whether investment overall is set at the level necessary to deliver desired outcomes. This is especially important in the context of objectives that require a step change in local investment levels (i.e. levelling-up), and means it is harder to justify the mix of transport, housing and place-making investment in the areas that need it most.

Under the current system, the government's Infrastructure and Projects Authority's (IPA) assessment of the 2017 National Infrastructure and Construction Pipeline found that the lowest levels of planned public investment in projects were in the North East, Yorkshire and the Humber, and the South West – areas of the country that struggle most with poor connectivity.<sup>12</sup>

Further still, no one project alone can tackle the big national challenges like reaching net zero. A new approach is required whereby projects are planned and designed together as part of a programme of infrastructure designed to be sufficient in the round to deliver the outcomes that society wants at a minimum cost. Commuter networks are a prime example of this as they bring together multiple types of infrastructure.

If the government is committed to its levelling up and zero carbon objectives, it can embed this thinking through its upcoming Green Book review. This would mean using changes to the guidelines it sets on how to evaluate policy interventions to implement a new programme approach to infrastructure planning and appraisal.

## **By taking a programme approach to appraisal, the government can more readily assess the transformative impact of its investments in commuter transport networks**

Businesses recognise that a new programme approach will require more effort during the initial stage of assessment. This is because it will depend upon a full analysis of key interactions that tend to be ignored when projects are assessed individually - this will also mean operating across traditional departmental silos and supporting more consistent appraisal approaches within these.

This upfront investment of resources should save time in the long run and should lead to an overall better selection of schemes that provide improved value for money. Once a programme assessment has been done, appraisal at the individual project level can be streamlined to check critical assumptions and ensure that it continues to provide value within the overall programme. There will be a need for periodic reviews of the programme as a whole, but overall the end to end timetable for individual projects can be shorter, and the ability to plan a pipeline of investment will assist in efficient delivery, including through supply chain management.

Taking a programme approach will also allow the right questions to be asked upfront, such as whether a package of investment will cumulatively deliver on key requirements, such as reducing emissions, spreading opportunity across communities, and maximizing outcomes from available funding. It would also help identify what supporting measures will be required, for example, how many houses will need to be built along a line to maximise the impact of the investment.

Most of all, a programme approach offers a practical and cost-effective way of capturing more of the benefits of an investment in an appraisal. This is particularly important in the context of levelling-up – which is difficult to address at project level. A prime example is the employment opportunity and productivity gains of transport investment that widens or deepens labour markets by making commuting more convenient and/or less expensive. A significant proportion of these gains can depend on housing and other development responses to the connectivity improvements delivered by a transport investment.

When the transport investment is viewed in isolation, it can look risky to assume these responses because they may depend on other investment and planning decisions which have yet to be made, often by other decision makers, who will be using separate decision criteria and face different budget constraints.

With an integrated programme level appraisal, transport, housing and regeneration are looked at together – the funding is integrated and all the commitments necessary to unlock the wider benefits are part of the same process.

The shift to longer term regional funding proposed by Recommendation 1 would also support the transition to this type of assessment as local decision makers would be better able to determine and fund a programme of required projects within an area rather than rely on project by project funding.

**Recommendation 4:** Government decisions on commuting infrastructure investment should focus on whole programmes of work – rather than individuals projects – and should span across departmental and regional boundaries to address interactions and dependencies (for example between transport and housing).

One opportunity to embed this change is provided by the government's upcoming Green Book review. If seized properly, business sees this as an opportune moment to deliver the necessary reforms.

Whilst recent changes to the Green Book went some way to incorporate environmental appraisal and a greater focus on distributional impacts, since then the government has committed to reach net zero carbon emissions by 2050 and pledged to level-up the country. Taking a programme approach would provide the critical mass and focus to take the next step towards properly connecting appraisal with objectives, especially for meeting net zero targets, where the gaps between current practice and what will be needed are large. This move should draw on both a review of the implications of behavioural change on commuter networks and utilise findings from the Treasury's upcoming Net-Zero cost review.

**Recommendation 5:** The upcoming Green Book review should be used to embed a programme approach to investment planning and appraisal to address interactions between projects of different types and to update appraisal processes and techniques to account for the UK's legislation of a net-zero target.

### **Successfully embedding a programme approach will require improved capacity and capability, coupled with enhanced transparency**

Where these changes are made, it will also be vital that they are understood and applied in practice by civil servants. Introducing assessment at a programme level will mean creating a complex new stage of assessment, even if project-by-project appraisals are simplified as a result.

Bearing in mind the high levels of turnover of civil service staff across departments, familiarity with taking a programme approach to the use of project appraisal tools will need to be taught and applied confidently in less than the standard 18-month Civil Service job cycle.<sup>13</sup>

At the Budget earlier this year, £3 m was announced for contract management training for commercial officials. Government should deliver a similar level of commitment to training public bodies about how to make best use of the Green Book and other departmental Social Cost Benefit Analysis (SCBA) tools when making programme-wide assessment of the benefits of infrastructure investments.

Business believes that this training process should be led by the IPA, working with each government department to understand how best officials can learn to make full use of the assessment tools available to them and where investment in new tools is required.

**Recommendation 6:** To drive the uptake of a programme-based approach to assessment of investments, the IPA should create new training materials and programmes aimed at building the skills base of, and tools available to, officials involved in this work across both central and local government. £3 million should be made available at the next budget to support this.

Finally, when whole programmes of investment have been given the go-ahead, or rejected, the government should increase transparency about how judgements were made. Increasing transparency would enable government to show more clearly how its planned programmes of investments in commuter networks meet its long-term strategic priorities.

To do this, every time a programme of projects is drawn up and approved, the government should publish an explanation of how it has been assessed. This process would also make it clearer to the public, local decision makers and businesses which priorities truly drive government decision-making.

**Recommendation 7:** Government should publish the business case, and how it contributes to the delivery of key objectives for every programme of investments in commuter networks it gives the green light to.



# Driving delivery: accompanying investment with faster and more effective project delivery

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**Through Project Speed and the DfT's Acceleration Unit the government should drive forward the delivery of improvements to commuter networks.**

Business welcomes the government's drive to accelerate the delivery of its 'infrastructure revolution' as part of its plan to restart the economy after Coronavirus. The creation of 'Project Speed' alongside the launch of an Acceleration Unit within DfT can play a critical role in ensuring that government moves quickly from promises of investment to action. With the remit of these programmes yet to be fully defined, there is an important opportunity to shape their role, ensuring they deliver maximum impact and value for money.

It is widely recognised that transport infrastructure projects often requires significant investment and take a long time to deliver. In part, this is driven by the complexity of planning, designing, and bringing products to market. For example, while business recognises that HS2 and Crossrail will be vital for driving economic growth, both flagship projects have faced difficulties ahead of construction beginning and have taken a long-time to get off the ground.<sup>14</sup>

Similarly, project delivery is often subject to significant time and cost overruns despite detailed processes. Over the last few years, major regional projects such as the Sheffield Rotherham Super Tram link<sup>15</sup> and platform lengthening Leeds station<sup>16</sup> have seen major overruns.

With the public finances under significant pressure due to the Coronavirus outbreak, it is more important than ever that these issues with infrastructure delivery are addressed. Businesses, and the communities that depend on them will need every pound of public investment to count towards revitalising the economy and meeting the long-term ambitions of 'levelling up' UK regions and reaching net zero by 2050.

**Regional decision-makers and public bodies need greater support and capacity to bring projects to market**

Even before the constraints and pressures brought by Coronavirus, many departments and local authorities failed to spend their capital budgets and bring projects to market.

The Institute for Government found that central government departments consistently underspent their capital budgets by 3-6 % between 2011/12 and 2018/19.<sup>17</sup> Amongst these, the DfT was found to have one of the biggest underspends. While similar data has

not been collated for local authorities, anecdotal evidence from business engagement at a regional level paints a similar picture.

This has only been exacerbated by the crisis. In early June this year, for example, when Local Enterprise Partnerships were requested to draw up lists of 'shovel ready' projects that could create jobs and help restart the economy after Coronavirus, businesses reported that many found they were unable to submit suitable projects at short notice.<sup>18</sup>

In addition, whilst some public bodies have improved how they engage with the market, and the wider supply chain during the project scoping and design phases, for example through the use of alliancing, feedback from business suggests that still too often early market engagement isn't happening early enough. When it does happen, it often doesn't have enough of an impact on how projects are brought to market.

## **To build back better on commuter routes, government at all levels must drive faster and more effective project delivery**

To tackle these challenges, business believes there are three key steps which can help government drive faster and more effective delivery of commuting transport infrastructure.

### **1. Develop shovel worthy plans in local areas focused on improving commuter networks**

The government needs to push for the fast delivery of shovel worthy investments, not just ones that are shovel ready. The DfT's new Acceleration Unit should play an important role here and should proactively layout criteria and guidance for regions to draw up lists of projects which are worth building.

In particular, to support local authorities to use resources most efficiently, the DfT's Acceleration Unit should help to co-ordinate a highly fragmented industry and work closely with regional decision makers and the major client group, including Network Rail and Highways England. It should support them to identify the projects that can deliver quick wins and fulfil the government's long-term ambitions to 'level-up' and decarbonise.

Further support could also come from MHCLG, Local Enterprise Partnerships, the Construction Leadership Council and the Local Government Association, who are all well placed to encourage the sharing of best practice and expertise across different regions.

With this support, regional government leaders can help to clarify spending priorities as soon as new resources for capital investment from central government become available.

**Recommendation 8:** Alongside plans for longer term investments, regions should produce lists identifying transport connectivity improvements that can be delivered within the next five years. The DfT's Acceleration Unit should provide support with these plans with MHCLG, LEPs and the LGA playing a role in encouraging best practice to be shared across regions.



## 2. Expedite planning and design by investing in local skills and capability

The creation of Project Speed and the DfT's new Acceleration Unit are significant opportunities to drive faster delivery of transport improvements and, in particular, to push ahead with projects that have already received approval.

They can also help develop approaches to expedite the design and planning of existing investments and embed long-term changes in approach across government to these phases of a project.

Delivering shovel-worthy 'quick win' projects will require thinking radically about the outcomes from planned investments. The London Nightingale Hospital, completed in 10 days, showed an innovative approach to effectively creating new infrastructure within the constraints of an existing building 'shell'. While this may have been in order to meet a short-term need, rather than an asset which will be required to deliver over a period of years, business believes that similar thinking about the use of a 'standard' asset could help inform local authorities' approaches to the planning and delivery of new commuter transport infrastructure.

In addition to this, if opportunities to accelerate delivery are to be seized, it is critical that local authorities have the planning and commercial skill sets, as well as the capacity required, to process projects quickly and efficiently. This will require further government investment in people.

While business recognises that the government intends to streamline and accelerate planning processes as part of wider reforms, this will take time to embed. In the interim, it will be essential that officials on a regional level are ready for this change.<sup>19</sup>

Without updated training and skillsets at a local level, there is significant concern that reforms to the planning system will drive further disruption to the pipeline of projects needed to restart the economy after Coronavirus.

**Recommendation 9:** The DfT's Acceleration Unit should look to expedite the design and planning phases of projects in the department's pipeline which have already received approval. To support this, government should use the upcoming planning reforms to set out new investment in resources at a local level, including through updating training for planning officials.



### 3. Adopt a more effective approach to the upfront assessment of risk and cost certainty

At present, projects undergo significant upfront assessment to try and ensure high cost and time certainty within the decision making process. This means the process to identify and assess projects that could be both shovel worthy and shovel ready can be more time intensive than the actual delivery phase - this is particularly true for smaller projects.

If the government is committed to accelerating the delivery of commuter transport infrastructure, particularly at a local level, it should, therefore, explore approaches to minimise the time required to undertake these upfront assessment activities. This will need to reflect the tradeoff between aiming for upfront certainty and quicker decision making.

In particular, this shift in approach will require public bodies to move away from trying to establish single point cost estimates, as this degree of certainty is not only time consuming to achieve, but often almost impossible. Instead the focus should be on developing estimate ranges which can take into account the cost uncertainties which are commonplace across the lifecycle of these types of projects and are often outside of human control.

As part of this process it will be essential that public bodies work more collaboratively with suppliers to identify and share risks. Early engagement can assist in articulating delivery risks to infrastructure procurers and highlight the importance of preparing effectively upfront. This also provides the opportunity to plan for possible disruption and build flexibility into project schedules, rather than lose costly time on delays should they emerge 'by surprise'.

Taken together with a new programme approach to appraisals, this attitude to risk could also enable government procurers to deliver many similar projects more efficiently. For instance, this could happen where obvious efficiencies can be gained by procuring similar infrastructure projects, such as a series of train stations or roadworks together. This would be instead of every project being tendered for, designed and delivered as individual projects.

**Recommendation 10:** The government should develop a new approach to risk and cost certainty during early stages of project planning and design, recognising the trade-off between upfront certainty and quicker decision-making. This should include greater collaboration with industry to manage risk and moving away from establishing single point cost estimates to providing estimate ranges.



# Conclusion

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Ahead of the upcoming Spending Review, the government has a genuine opportunity to kick start its infrastructure revolution by putting in place the foundations needed to take a more strategic approach to the planning and delivery of new transport infrastructure. This would ultimately mean reshaping its decision making processes to maximise the benefits from public investment.

In the first place, this needs to be driven by providing longer term funding settlements for regional decisionmakers. With longer horizons for resource allocation, regional investments in commuter networks can be more carefully planned to meet changing patterns of demand.

Alongside this change, overall investment in commuter transport networks will need to be assessed more holistically. Moving towards a programme approach for appraisal of interventions in commuter networks, the government will be more able to measure the transformational changes that can be delivered by interacting investment in housing, transport, and access to employment.

Most of all, to make the most of the new impetus behind Project Speed and the DfT's Acceleration Unit, changes need to be made to the way projects are brought to market. By investing in the right skills, capabilities and approaches, government at all levels can push forward the delivery of 'shovel worthy' projects to drive change quicker across the country's commuter networks.

Only then will the UK be able to 'level-up' the commute, creating increasingly reliable, greener and more flexible transport networks for communities across the country.

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