

**Sir John Armitt speech to the International Project Finance Association  
DLA Pipers, London, Tuesday 4 December**

Thank you for having me here this evening.

Up and down the country, infrastructure projects collectively costing £190billion are planned for the next three years.

That includes smart motorways in Manchester, and the £1.5billion improvement works on the A1 between Cambridge and Huntingdon.

It includes the construction of the Hornsea offshore wind project in the North Sea which, once complete, will generate enough power for one million homes. And it includes Crossrail and the Thames Tideway Tunnel here in the Capital.

Almost half the planned pipeline of infrastructure projects over the next three years will be delivered and funded privately.

You will know that this is not some new phase or phenomenon – private financing has played a crucial role in the delivery of infrastructure for years.

And it's set to continue, with a balance between public and private in place for the new infrastructure pipeline announced by the Government and the Infrastructure and Projects Authority last week, covering the next 10 years.

That our infrastructure industry can attract significant investment from the private sector is a success.

But we all know that investors have their eyes on the long-awaited prize of a long-term plan combined with the certainty that it will be delivered. All too often, however, our country has struggled to deliver this.

We can all think of examples of projects halted and then hounded by political indecision and general short-termism – and not just Heathrow's third runway!

We've put off making a decision on new water supply infrastructure, such as a new reservoir in the South East, for decades. Given how long it takes to plan and build a reservoir, that's a delay we can't afford.

The idea of a Lower Thames crossing has been on the stocks since the late eighties, but the route was not determined until last year, and we're only now starting the consultation.

Likewise, the Silvertown Tunnel was first proposed in 2006, but construction will only start in 2019.

That's why in my 2013 review of infrastructure, I was clear that an independent body was needed to improve the decision-making process by providing clear, impartial and evidence-based advice to Ministers for how best to meet the country's needs.

In 2015 that body – the National Infrastructure Commission – was established, and I'm proud to be talking to you this evening as its chair.

I'm also proud of the calibre of the commissioners we have – Julia Prescott, for example, who brings years of experience of infrastructure finance; Sadie Morgan, a designer whose architectural practice won the Stirling Prize last year for its work on Hastings Pier; and economists Professor Sir Tim Besley and Dame Kate Barker, both of whom have served on the Bank of England's Monetary Policy Committee. And that's not all.

Our Commission also includes the expertise of economist Bridget Rosewell, who has served as adviser on major road and rail projects; Emeritus Professor of Systems Engineering at Imperial College David Fisk, and Andy Green, whose decades-long career has been shaped by his passion and expertise in new and emerging technologies.

Since we were established just three years ago, our work has spanned subjects from the delivery of smart energy systems to improving access to better mobile and broadband communications – and we will continue to do this.

Indeed, we have already got two new studies planned.

For our regulation study, we will need to examine how to strike the right balance between ensuring we as consumers are treated fairly, while at the same time allowing companies to be innovative without being penalised for it, and enabling them and regulators alike to be ready to adapt to changes in the future – all while keeping bills affordable and protecting the most vulnerable households.

And on resilience, we will need infrastructure systems that can cope with future shocks, threats and challenges – especially those intensified by the interdependence of our infrastructure networks.

We will want to work with you and others in the coming months on these and our wider work.

But the pinnacle of our efforts at the Commission is the National Infrastructure Assessment.

Published in July, it's the first of its kind for the UK – and is the first of its scale for anywhere in the world, looking across the six key infrastructure sectors of transport, energy, digital communications, waste, water and floods risk management.

It identifies what infrastructure the UK will need by 2050 to remain competitive and prosperous and improve the quality of lives of all our communities.

But it also outlines what we need to do now, and what decisions are required, to deliver that vision.

The Assessment backs a national roll-out of full-fibre broadband and makes the case for Government subsidy to ensure those living and working in the hardest-to-reach areas, particularly our rural communities, can benefit from this technology.

It was therefore encouraging that soon after we published our Assessment, the Government's own Future Telecoms Infrastructure Review reflected many of our findings.

We've also seen a positive response to our recommendations for improving the resilience of England's water supplies to drought, which we published ahead of the Assessment in our report *Preparing for a Drier Future*.

A key recommendation was to halve leakages from the system by 2050, and so we were pleased to hear Michael Gove last week endorse that.

On top of this, the new draft National Policy Statement for water, also published last week, was in line with our recommendations. It will make it easier to deliver new reservoirs and water transfers, increasing the capacity of the system and supporting areas in greatest need.

We've set a clear target for at least 50 per cent of our electricity to be coming from renewable sources such as wind and solar generation by 2030.

This is now an achievable objective.

Indeed, last month in his response to the Helm Review on reducing the cost of energy, Greg Clark highlighted the clear evidence that renewables are getting cheaper and are, as a result, well placed to make a much greater contribution to the UK's electricity supply.

It was good to also see the Government's four principles for the power market outlined in that speech, and in tune with our approach.

Similarly, we need viable alternatives to natural gas for our heating. That's why we recommend trials in communities of hydrogen as a fuel source by 2021, and that the Government further examines the evidence base for future installation and use of heat pumps.

As well as cutting emissions from energy, we also need to do the same on our transport networks – and that includes helping drivers to switch from petrol and diesel to electric vehicles.

But to do that, the UK will need to develop a truly national, visible charging network, and we have been clear that this will require Government funding for charging points in areas where the private sector won't deliver in the short term, particularly rural and remote areas.

But as well as recommendations on these key infrastructure sectors, we've also looked specifically at how future infrastructure projects will be funded and financed.

We will see in a week's time where the debate over Brexit goes – but we've been clear in our Assessment that the Government should maintain access to the European Investment Bank if possible. If access is lost, then we think a new, independent UK infrastructure finance institution should be established by 2021.

Our Assessment also recommends giving greater powers for local authorities to make the most of any potential for land value capture in their area. That's why I was pleased to see in the Budget plans to remove pooling restrictions on Section 106 payments.

But the real jewel in the crown of the National Infrastructure Assessment is that it doesn't just look five years ahead or even 10 – but three decades into the future. This is a real opportunity to set a clear course for the future of infrastructure in this country – and I want to see the Government grab it with both hands.

Ministers now have less than a year to respond to our recommendations, and so I was pleased to hear the Chancellor announce that they will be doing so through a new National Infrastructure Strategy – a first for this country.

Over the last three years, at the National Infrastructure Commission we have pulled together renowned expertise, robust research and rigorous analysis to deliver a blueprint for meeting this country's needs over these next three decades.

And I know that over the past three years - and indeed in the years to come - private investors are putting hundreds of billions of pounds into this country's infrastructure.

Now, we're now asking investors for support in a new way. We at the National Infrastructure Commission, and you in the investment community, have to make the case again and again for our Assessment to be implemented.

I hope everyone in this room will do so, to the media, Ministers and MPs from across the political spectrum.

If we do this – if we continually bang the drum for infrastructure - we can combine a long-term plan with the certainty it will be delivered to create the conditions needed to secure strong investment.

And that's a prize worth making the case for.