

**Please reply to :**

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**NIA Evidence**

**National Infrastructure Commission**  
**1 Horse Guards Road**  
**London**  
**SW1A 2HQ**

***Dear Commissioners***

**National Infrastructure Assessment, Process and Methodology, Consultation**

1. I am responding to this National Infrastructure Commission consultation on behalf of environment think tank Sustainability First. Sustainability First is a small charity that works in the energy, water and waste sectors. We have significant experience of consumer issues and the demand side in the energy sector.
2. In 2015 Sustainability First established the New Energy and Water Public Interest Network ('New-Pin') to bring together public interest advocates (consumer, citizen and environment), regulators, companies and representatives from Government to build understanding and find common ground on long-term public interest issues in the energy and water sectors. In June 2016 we held a New-Pin workshop on 'Long-run resilience in the energy and water sectors' that addressed many of the issues covered in this consultation. A copy of the workshop discussion paper, and summary briefing paper, are attached to this response for information.

**General comments**

3. Sustainability First warmly welcomes the establishment of the National Infrastructure Commission (NIC), the opportunity to comment on this consultation and the Commission's commitment to work in a consultative way.
4. Infrastructure, by its very nature, is designed to provide or enable services to individuals and society over the long-term. Ensuring that the National Infrastructure Assessment (NIA) takes full account of the public interest, and addresses issues of intra and inter generational fairness, will be crucial if the Commission's work is to earn the trust and confidence of those that will use and ultimately pay for the infrastructure provided.

## Detailed comments

### **Q1. What issues do you think are particularly important to consider as the Commission works to this objective?**

5. Sustainability *First* considers that it would be helpful to look at growth as it impacts different regions *and nations* of the UK. The increasingly devolved context for decision making needs to be addressed up front; both to recognise the different priorities and responsibilities of the devolved nations (as in paragraph 90) but also to understand the infrastructure interactions between them and the scope to learn valuable lessons from their respective experiences.
6. In terms of the quality of life objective, we consider that it is important that this is broadly defined to include quality of life for current *and future* generations. Given the long-term nature and impacts of infrastructure investment, the Commission will inevitably need to take a view on questions of intra and inter generational fairness. The distributional impacts in the NIA will need to be clearly articulated.

### **Q2. Do you agree with the stated principles and are there any principles that should inform the way that the Commission produces the NIA that are missing?**

7. Sustainability *First* supports the existing principles. We consider it important that the principle of being 'consultative' is framed in terms of engaging with stakeholders, particularly citizens and consumers. Public engagement is crucial if:
  - the demand side is going to play a role in ensuring resilient, affordable and sustainable infrastructure and services;
  - consumers and citizens are ultimately going to pay for the infrastructure that is built;
  - new partnerships and opportunities for collaboration are to be identified. Although the NIC will clearly not necessarily lead on these, the Commission can potentially play an important sign-posting and facilitative role; and
  - the public are subsequently to be better equipped to engage in response and recovery if there are shocks to the system and infrastructure services.
8. Sustainability *First* proposes also adding the following principles:
  - Accountable – given the potential significance of the NIC's role, it is crucial that it is accountable – and seen to be accountable - for it's work. This will be essential to ensure that the Commission's decisions are seen as 'legitimate.'
  - Risk based – the NIA will need to take a risk based approach, capturing the full range of risks (including systemic, political and regulatory risks).

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- Agile – the NIA needs to ensure that portfolios are sufficiently flexible and adaptable to be able to deliver in an environment which due to climate change can be highly uncertain.
- Take account of affordability – both short and long-term.

### **Q3. Do you agree that the NIA should cover these sectors in the way in which they are each described?**

9. Transport: it will be important to take account of the impact of digital technology on changing work practices and the increase in home and mobile working. The particular challenges that arise when there is a mixture of public and private funding for schemes are also relevant in considerations of infrastructure planning in this sector.
10. Digital and communications: recognising the importance of both the visible and invisible aspects of these (eg reliance on Machine to Machine communications) is important.
11. The built environment: Sustainability First notes that the Commission's remit will not include housing supply. This could potentially be problematic and may result in a 'chicken and egg' situation where it could be difficult to get leadership in planning significant new settlements. In order to produce a robust NIA, it will clearly be important for the Commission to receive *timely* information on new housing allocations.

### **Q4. Are there any particular aspects of infrastructure provision in these sectors which you think the NIA should focus on?**

12. In all the sectors covered, there are significant 'softer' demand side opportunities (eg tariffs, behavioural approaches and smart initiatives) that need to be recognised. From a value for money, resilience and sustainability point of view it will be important that the NIC takes these into account wherever possible.
13. Technology is also enabling new models of service delivery (such as aggregated or shared services) that can potentially disrupt established models of providing services and their associated infrastructure requirements. Understanding the commercial possibilities in the sectors will be just as important as understanding the engineering opportunities and risks.

### **Q5. The NIA will seek to pull together infrastructure needs across sectors, recognising interdependencies. Are there any particular areas where you think such interdependencies are likely to be important?**

14. The interdependency between communications and electricity is clearly important. Electricity can both enable and disable communications. This needs to be factored into decisions about the resilience of electricity infrastructure.

15. Inter-dependencies between the energy and water sectors already exist. Some of the investments that are designed to help secure resilience (such as desalination, fracking or carbon capture and storage) may actually tie the sectors more closely together. There is also a nexus between energy / water and food / farming that the Commission may need to consider, particularly in rural areas.
16. The importance of the resilience of the communications and transport sectors to other essential services, particularly during flooding incidents, also needs to be taken into account (see case studies in the New-Pin resilience paper from New York and Lancaster).

**Q6. Do you agree that the NIA should focus on these cross-cutting issues?**

17. We support the cross cutting issues identified. In terms of how the issue of ‘Governance and decision making’ is framed, we consider it is important that this is fit for purpose and *in the long-term public interest*. For this to happen, stakeholders need to be engaged in decision making. The NIA will need to identify clear roles and responsibilities, and schemes of delegation, if there is going to be effective leadership from those charged with governance in cross cutting areas. Clarity is needed as to who the decision makers are likely to be at the local, regional and national levels. Governance needs to be sufficiently flexible to avoid inertia, to enable collaboration between institutions and to be able to respond to uncertainties.
18. Whilst we support the evaluation and appraisal methodology, it could be difficult to get this right first time, and events will undoubtedly intervene (eg Brexit), so an adaptive approach may be needed.
19. On the issue of performance measures, a sub-set of these need to be meaningful to the public as they will ultimately be paying for the infrastructure provided.

**Q7. Are there any other cross cutting issues that you think are particularly important?**

20. Standards – is there a need for some common standards in terms of the resilience of infrastructure in different sectors to floods, for example? Although standards can be inflexible, without common cross sector standards for issues like flooding, there is a risk that individual sectors may over or under invest in their infrastructure in a particular locality. This could potentially lead to an inefficient use of resources or single point failure in the event of a shock.

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### **Q8. Do you agree with this methodological approach to determine the needs and priorities?**

21. The methodological approach described may be more suited to decisions around 'big kit' and strategic investments than demand side 'infrastructure'. In the latter, there are likely to be multiple actors, schemes and interactions (often at a local or even micro level) and a whole suite of technologies involved. We would be interested to understand how the Commission will adapt this methodology to demand side and local service delivery initiatives.
22. The modelling and analysis needs to be practical and actionable; it needs to move beyond academia and be tested on real businesses and users.

### **Q9. Do you have examples of successful models which are particularly good at looking at long-term complex strategic prioritisation in uncertain environments?**

23. Sustainability *First's* New-Pin Network seeks to build understanding and establish common ground between different stakeholder groups on long-term and complex issues in the energy and water sectors. Through deliberative workshops on issues such as long-term affordability, trust and confidence and resilience, it is exploring cross sector issues between energy and water. Case studies are used to identify practical actions that members have taken to address long-term issues and as a vehicle to open up discussions on the trade-offs that are often made in reaching decisions.
24. Our next New-Pin workshop on 19<sup>th</sup> October will be on 'Consumer and citizen engagement and capacity building in the energy and water sectors.' This will look in more detail at how to engage the public in long-term issues in the sectors. We have commissioned a piece of work from BritainThinks to provide an overview of research techniques that consumer and citizen groups can use to help understand and capture public views on long-term and complex issues in the energy and water sectors. This, along with a wider discussion paper on stakeholder engagement (that will examine how to balance different priorities), will be presented at the meeting.

### **Q10. Do you believe the Commission has identified the most important infrastructure drivers? Are there further areas the Commission should seek to examine within each of these drivers?**

25. On the issue of population and demography, it will be important that the NIA takes account of the challenges of an aging population, and the end of 'cliff edge' retirement.
26. One other potential area to consider is political risk eg: in the UK (and Europe) post Brexit; or failed states and instability in the Middle East. This could have wide ranging impacts, including on potential resource price and availability (energy), investor confidence, migration

(both in terms of usage of services and workers to construct and deliver these) and environmental standards.

**Q11. The NIA will aim to set out a portfolio of investments that best meets the demands of the UK in the future. Do you have a view on the most appropriate methodology to determine that portfolio?**

27. Although we don't have any specific views on this question, we do consider it is important that the public are engaged in drawing the portfolio up and that the reasons why the portfolio has been identified need to be explained and communicated to those that will ultimately pay - in an accessible way.

**Q12. In your view, are there any relevant factors that have not been addressed by the Commission in its methodological approach?**

28. The approach does not explicitly cover what the barriers and enablers to implementing the portfolio may be. Although these will be for others to address, unless the Commission takes these into account in its deliberations, its proposals may be unworkable.

**Q13. How best do you believe the Commission can engage with different parts of society to help build its evidence base and test its conclusions?**

29. The Commission clearly needs to be open and inclusive if it is to engage with different parts of society in its work. This will also help mitigate against 'group think.'

30. Ensuring hard to reach groups, and the interests of future users and the environment, are represented, will be important. To develop the Assessment, the NIC needs to build relationships with organisations that already have links with citizen and consumer groups in communities, regions and nations.

31. In doing so, the NIC needs to recognise that different portfolios will have differing distributional impacts (geographically, between consumer / citizen segments and over time). There will be differences of opinion and conflicting interests. It will be important to recognise these and provide deliberative forums for groups with differing views to hear directly from each other and thus build understanding, help begin to identify common ground and to come forward with creative priorities and solutions.

32. Engagement clearly needs to be a timely, but ongoing, process. Unless the public are involved sufficiently early on in the Commission's deliberations, there is a risk that people will feel they are just 'rubber stamping' decisions. The legitimacy of the exercise may therefore be undermined. The Commission needs to follow the 'you said: we did' approach and provide

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timely feedback to those that have engaged, explaining why decisions have been taken and if certain responses have not been taken into account the reasons why this is the case.

33. Ultimately, the Commission will need to 'knit together' engagement activities at different geographical levels and on a cross sector basis. This is likely to be a significant task.

We hope that this submission is helpful and would be delighted to discuss the issues raised. We are due to meet Ted Hayden on the 10<sup>th</sup> August to talk about the New-Pin Network so in the first instance could pick any points up with him.

Yours

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**Associate  
Sustainability First**

**CC: Judith Ward, Director, Sustainability First  
Ted Hayden, NIC**

### **Attachments**

New-Pin Long-run resilience in the energy and water sector, briefing and discussion papers

**Sustainability First is a registered charity. Chair : Ted Cattle CBE. Other trustees : Phil Barton, Sarah Deasley, Derek Lickorish MBE, Derek Osborn CB, Richard Adams OBE, Trevor Pugh, David Sigsworth**

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