

Rt Hon Ed Balls MP
Shadow Chancellor of the Exchequer
House of Commons
London
SW1A 0AA

3rd July 2014

Dear Ed

The Armit Review

Since the publication of my independent review of long term infrastructure planning in the UK in September 2013, my central recommendation of a new National Infrastructure Commission with statutory independence has struck a chord with many across the sector. Whilst the UK has proven its ability to deliver successful projects such as the Olympics and High Speed 1, there remains no device to provide an evidence-based assessment of the infrastructure that we will require over the next 25-30 years to maintain our economic growth and international competitiveness. There is wide agreement with my view that this absence of clear objectives, around which cross-party support can be built, continues to be an Achilles heel for the country.

Some of those with whom I have discussed my ideas have commented that I am trying to “take the politics out of infrastructure”. This in fact is the opposite of what I intend. Rather than taking power away from politicians, I believe an independent National Infrastructure Commission would act as an important enabler and provide a robust framework within which public and political debate on these important issues could take place.

Decisions around major infrastructure are invariably controversial. It would therefore be of great help to politicians to have detailed independent expert evidence on hand as to why major investments are necessary and what the real consequences are for day to day life if critical infrastructure issues are not addressed. The Office for Budget Responsibility, the Committee on Climate Change and the National Institute for Health Care and Excellence are all important precedents, cited in my Review, where independent expert evidence has helped provide a sensible framework within which an informed public debate can take place.

The UK needs to begin to plan for the future demands on our energy supply, transport networks, water supply and flood defences. In the light of this and as you invited me to do, I have continued to work, since the publication of my Review, to determine how a National Infrastructure Commission could begin to take shape and start work over the period of the next Parliament.

Today I put forward for consultation two documents to supplement my Review. The first is a Draft Bill on how the structure and membership of the Commission and the Parliamentary framework within which it would operate could be established. The second is a summary of the suggested steps which would need to be taken to establish the Commission and to deliver the new regime as a whole.

In the course of this subsequent phase of my work, I have made some amendments to the detailed mechanics of how the Commission would operate. However, the essential principle remains - that of an independent Commission providing a framework to help politicians secure Parliament's approval of a needs-based 25-30 year national infrastructure assessment and resulting strategy.

If the Commission is established promptly after the next Election then a thorough assessment of the UK's infrastructure needs over the next 25-30 years could be completed mid way through the 2015-2020 Parliament. With this in place, the infrastructure policy debate would be more enlightened as it would be based around a real understanding of the issues that have to be tackled if the UK is to maintain its competitiveness over the long term. I believe that this would represent a big step forward for the UK.

I will warmly welcome from all stakeholders, including the devolved governments, any comments on these two documents received by 31 October 2014. I will then consider any comments and produce my final proposals, including a revised Draft Bill, by the end of January 2015.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Armitt', written in a cursive style.

Sir John Armitt CBE