Government must unlock infrastructure investment to power local clean growth revolution

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Ministers must use the forthcoming Spending Review to tie funding for vital public infrastructure to the clean air agenda, a report issued today by the think-tank Localis has argued.

Entitled 'A Modern Transport Infrastructure Strategy' the report states the role of central government remains essential to making local schemes viable, but warns roads will go unrepaired and vital new structures left unbuilt unless cleaner air is enshrined as a main objective of future infrastructure spending decisions.

On a pan-government basis, the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Environment, Food and Rural Affairs (Defra) should pool and align their combined policy capacities in areas such as electric and low-emission vehicles, the study argues.

The report also recommends these future transport investment decisions should be geared around providing money and assistance to areas of the country doubly-affected by industrial air pollution and low economic growth. Such national level co-ordination would secure investment and support those parts of the country, such as Hull and Stoke-on-Trent which experience air pollution but lack the resources to respond to the clean air agenda – the study recommends.

In turn and at local level, strategic authorities - such as combined authorities or county councils - should take greater responsibility for delivering clean growth by attracting greater long-term private capital investment, exploring asset recycling schemes with major institutions such as pension funds to unlock fresh capital funding for infrastructure investment.

Local areas should explore pool-funding with neighbouring strategic authorities and also make better use of their local tax-setting powers – including business rates, council tax as well as new levies such as payroll and tourism taxes - to generate revenue-funding infrastructure. And the public sector should do more in harnessing their procurement and policy levers more actively to promote the agenda for clean air infrastructure, the report argues.

Furthermore, the report calls for strategic authorities to support a more transformative role for new technologies, especially in harnessing the potential of public and private sector data to optimise existing infrastructure use. Big Data could help localities better plan future transport schemes to become more effective, evidence-focused interventions that are regionally responsive and support liveability in local areas.

Jonathan Werran, chief executive at Localis, said: "Public and private investment in the repair and renewal of vital local infrastructure is crucial for our national prosperity and liveability. To break the logjam, a positive case must be made for creative as well as sustainable approaches to financing the common physical assets upon which both our own and future generations will rely upon to connect people to places.

"Local leaders must take a punt on clean growth using all means at their disposal - fiscal, economic and regulatory - to deliver world class infrastructure to their areas. But without the allocation of sufficient central government resources and the coherent connection of disparate Whitehall policy strands, we risk leaving left-behind areas further behind."

ENDS

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Notes to Editors:

- A full copy of the report can be downloaded here: 'A Modern Transport Infrastructure Strategy – cleaner air through better transport infrastructure'
- **Report recommendations :**

Recommendations to central government

- In the forthcoming spending review, government should announce cleaner air as a main objective of infrastructure spend. This should be both in broad principles of all infrastructure spend and in the form of a dedicated funding pot. This pot should invite bidding from strategic authorities for projects based on the following questions:
- In line with the recently published Clean Air Strategy, government should place greater emphasis on directing strategic authorities to make air quality a more present part of their infrastructure strategies and also encouraging them to take a more active role in attracting private capital for infrastructure projects.
- The Infrastructure and Projects Authority (IPA) should work with strategic authorities to identify pipelines of schemes, signalling to private investors market projects are appropriate for private finance or public-private.
- Each strategic authority should make cleaner air a strategic aim of their infrastructure strategy.
- As part of their infrastructure strategy, each strategic authority should identify their local infrastructure gap.

- How would the project achieve cleaner air in the strategic authority area?
- How would the project shift the local economy towards principles of clean growth, as per government's industrial strategy?
- How is the strategic authority partnering with private investors to deliver the infrastructure project?

Recommendations to strategic authorities

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