Defending Critical Infrastructure

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11 November 2009

Halcrow

- Independent, UK-based engineering design consultancy
- Diverse market sectors, approximately 80% infrastructure, 20% property
- Global view – 50% of work is overseas
- Projects include:
  - High Speed 1
  - St Petersburg Flood Barrier
  - Yas Island infrastructure
  - HA MAC (Managing Agent Contractor) provision
Institution of Civil Engineers

- Registered charity – Royal Charter 1828
- Aim since Chartership to ‘foster and promote the art and science of Civil Engineering’
- 80,000 members worldwide
- Policy Panel issues reports and other material providing detailed evidence-based analysis of policy issues affecting civil engineering and the built environment

State of the Nation Reports

- Issues with significant national policy implications, within ICE competence
  eg  Capacity and skills
       Transport
       Defending Critical Infrastructure

  Related reports, eg
  Flooding
  Carbon Capture and Storage
Why study critical infrastructure?

- A recurring theme of our recent policy work
- Experience of 2007 floods
- Ageing assets and networks
- Security Register

What is critical infrastructure?

- Assets which if destroyed or seriously disrupted would cause major disruption to the service being provided
- For the purposes of this report, the goal of defending critical infrastructure is assuring the continuation of UK plc
State of the Nation: inquiry format

- ICE solicited responses for written evidence from over 200 stakeholders and organisations in January 2009
- Held evidentiary hearings with key stakeholders
- Obtained evidence from over 70 stakeholders

Main threats

- System failure
- Climate change
- Terrorism
System failure

Climate change
Terrorism

Interdependency

Water

Waste

Transport

Energy
The need for an overview

- SoN report published on 24 June 2009
- It recommended that the government creates a single point of authority for infrastructure to:
  - coordinate the work of the agencies responsible for dealing with individual sectors and threats
  - Recognise interdependency

Planning

- A circuitous UK planning system has long delayed the delivery of many crucial pieces of infrastructure
- Without reform the UK is in danger of not having the infrastructure it needs to operate
Inadequate regulatory remit

- Government must give a wider remit to sector regulators to include improvements to infrastructure resilience

ICE recommendations

- A single point of authority to coordinate infrastructure resilience (Infrastructure UK?)
- A strong Natural Hazards Team
- A wider regulatory remit, to include infrastructure resilience
- Delivery of effective planning regime
Financing the UK’s infrastructure

When infrastructure is properly financed, planned, and prioritised, the economic and social benefits always outweigh the initial costs. However, during the current challenging economic climate, securing the funding required for these projects has never been more difficult. At the same time with new power stations urgently required, and projects such as high speed rail supported by the main political parties, securing the capital to ensure timely delivery has never been more important.

A National Infrastructure Investment Bank

What is needed is a source of long term financing that supports projects that will strengthen UK competitiveness and help with the transition to a low carbon economy. A National Infrastructure Investment Bank (NIIB), initially capitalised by government and then able to use the government’s AAA rating to raise funds on international markets.

Funding UK infrastructure

- There is an established ROI to UK plc for investment in infrastructure
- UK infrastructure funding has been in decline for more than a decade
- Funding is mainly from public sector sources – but tough times ahead
- A National Infrastructure Investment Bank (NIIB) is worth considering. Relevant experience in Nordic countries and USA (potentially 10:1 leverage on public sector sources)
UK infrastructure: The Institution of Civil Engineers has called for the Government to create an infrastructure investment bank to protect funding for crucial construction projects. The submission, backed by Lord Kinnock, the former European Transport Commissioner, Vince Cable, deputy leader of the Liberal Democrats, and Will Hutton, the economist, warns that cutting spending on roads, railways and power stations will delay economic recovery.

Lain O’Bourke, Tony Docker