

# Infrastructure: The Routemap for Regional Growth



Civil Engineering  
Contractors Association  
South West

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# Supporting the South West:

## The Importance of Infrastructure

South West England is the largest English region and is known for its ports and harbours, which have allowed the area to export its products to the world and also play a key role in the UK's defence strategy.

The region has one of the highest employment rates in the UK and it has the lowest rates of business births and deaths. The region is responsible for almost 8 per cent of the UK's gross value added.

The most economically productive areas within the region are Bristol, the M4 corridor and south east Dorset. Aeronautics has been essential to Bristol's economy and defence, telecommunications, IT, financial services, electronics, tourism and agriculture are also important industries within the region.

The South West is a key nuclear hub consisting of Hinkley Point A nuclear power station (now being decommissioned) and Hinkley Point B Advanced Gas-cooled Reactor. A third European Pressurised Reactor (Hinkley Point C) is planned to replace Hinkley Point B.

The region is growing in population size and this is expected to increase in the long term. The prospects for the economy are positive and the South West has shown resilience through the economic downturn. Creating the right conditions for businesses to thrive will play a key role in maintaining growth in the South West economy.





The South West is relatively well connected with the rest of England and the UK by several mainline railways, a handful of key roads and five international airports. However, given the region's popularity as a place to live, visit and do business in, many of these roads are frequently congested. At the same time, both road and rail are regularly disrupted by heavy rainfall and flooding is a significant problem. CECA believes the South West is less well served by transport networks and investment than other UK regions.

Good infrastructure is essential for the region to prosper and there is an urgent need to invest in infrastructure in the South West. For each £1 billion increase in infrastructure investment, UK-wide GDP increases by a total of £1.30 billion, and every £1 billion of infrastructure construction increases overall economic activity by £2.842 billion.

Better transport will improve the competitiveness of UK business, while universal superfast broadband will accelerate our information economy. New renewable and nuclear power capacity will help meet our new energy needs and carbon reduction commitments. At the same time upgraded waste and water networks are required to meet the demands of an increasing population and to prevent flooding.



## National Infrastructure Plan

The UK Government's National Infrastructure Plan recognises the importance of infrastructure to the economy and has begun to prepare the ground for long-term investor confidence. Steps must now be taken at a local level to ensure these plans are delivered. A total of £250 billion of investment is needed across the UK to bring our energy, water, transport, digital communications and waste infrastructure up to date.

Yet, too often this overriding need for new infrastructure is blocked by short-term politics and hindered by planning policy which does not always match commitments made by Government. We need a clear and consistent infrastructure policy that has cross-party support for its implementation.

This booklet, which has been written in close consultation with CECA's members in the South West, provides key recommendations to ensure the region remains an attractive place to do business. If carried out, these will benefit business and the public in the long term, and will create sustainable and skilled jobs in the construction sector.



## A Second Strategic Route for the South West

The A303 is one of the main routes from London to Cornwall, yet it frequently suffers from congestion.

CECA is working closely with regional stakeholders to champion key sections of the second route, concentrating initially on those offering early commencement, maximum return on investment, maximum safety improvements and reduced journey times.

**CECA recommends:**

- **Upgrading the A303/A358/A30 to dual carriageway standard throughout to provide a second strategic route. Key sections must be prioritised and started immediately;**
- **Completion of the Bristol ring road to improve traffic flow around the city.**



## Maintaining & Investing in Our Roads

Well-maintained roads are essential for the region's day-to-day economy. Despite recent positive announcements, revised government spending plans have caused delays to investment programmes, while the short-term budget cycles of the Highways Agency constrain effective planning and governance.

**CECA recommends:**

- **UK Government to promote prudential borrowing for local authorities to address their highways maintenance backlog through a one-off national programme of intensive improvements to local roads, significantly reducing the long-term cost of maintaining the network;**
- **UK Government to develop a new model for the ownership and management of the English strategic roads network, focussing on providing long-term certainty over the investment required in the network to ensure that it is able to meet future demand in an affordable manner;**
- **Regional Growth Fund allocations to be used to improve local roads.**



## Faster Rail Connections to the South West

Whilst the South West is relatively well connected with the rest of England and the UK by several mainline railways, more reliable rail connections are needed to ensure the region remains an attractive place to visit, live and work.

CECA recommends:

- **Dualling or a passing loop to the Exeter - Waterloo route as an alternative to the Paddington route would improve resilience;**
- **Electrification feasibility study for critical routes.**



## A New Water Strategy For The South West

### Flood Prevention

Severe weather warnings have been issued for several years in the South West. The total British flood disruption bill in 2012 was £13 billion. It is estimated that every £1 spent on flood defences saves £8 in future.

#### CECA recommends:

- **Establishment of a high-level working group to implement immediate solutions to prevent regular severe flooding in the region;**
- **Improved flood schemes for Exeter;**
- **Flood prevention works at key flooding points such as at Honiton and Cowley Bridge, to maintain essential rail services to the South West in severe weather;**
- **Mandatory sustainable drainage to reduce flooding risk.**





## Improving Our Water Network

Since privatisation, the UK water industry has invested more than £90 billion in upgrading the country's water network.

Industry focus is now upon operating, maintaining and managing these assets. The next investment phase (AMP6) will be for the years 2015-2020.

### **CECA recommends:**

- **The water regulator OFWAT must confirm a settlement for AMP6 with local water companies sufficient to deliver the essential upgrade of water infrastructure in the South West;**
- **Smoothing of investment in the water sector to remove current boom-and-bust cycles;**
- **The implementation of uniform site water skills standards.**



## Keeping the Lights On

The beginning of this century saw increased concerns over the prospect of an energy shortage. Many nuclear and coal power stations are coming to the end of their lives and are likely to be decommissioned after 2017. Substantial investment is needed to replace them. The construction of Hinkley Point C is essential to safeguard our long-term energy future.

### **CECA recommends:**

- **UK Government to commit to a clear, multi-mix long-term energy policy that provides certainty about the types of investment that will be required to update the UK's generation and transmission capacity, releasing significant private sector energy development;**
- **Further Education providers must adapt to and recognise opportunities within the nuclear sector;**
- **Investment in new qualifications and standards for the existing and upcoming workforce.**



## Securing the Economic Future of West Cornwall & the Isles of Scilly

CECA is concerned about the lengthy delays to works in Penzance and St Mary's harbours. A strong island link is essential to the future of the two localities.

### CECA recommends:

- **The Isles of Scilly project must become a priority for Cornwall Council and the Local Enterprise Partnership.**
- **Future funding and planning proposals for local transport schemes in Cornwall must include provision for effective transport links to the Isles of Scilly.**



## Local Enterprise Partnerships (LEPs)

Local Enterprise Partnerships (LEPs) have a leading role to play in accelerating infrastructure investment and economic growth.

**CECA recommends:**

- **LEPs in the South West to work more closely together to focus on the delivery of infrastructure and skills to boost growth;**
- **LEPs in the South West to be given much more specific Terms of Reference and responsibilities, plus the means of carrying them out. This must strike the right balance between formulating a strategic vision and undertaking project delivery;**
- **UK Government to expand the reduced 'project rate' of the Public Works Loan Board from one to three projects per Local Enterprise Partnership in England, and implement by November 2013. Require authorities drawing on the rate to demonstrate substantial private sector co-investment in funded projects.**



## Creating Regional Opportunities

For every 1,000 jobs that are directly created in infrastructure construction, employment as a whole rises by 3,050 jobs. CECA's recently established South West Training and Development Forum will provide the opportunity for our members and client organisations to work together in this vital area.

Companies need to be able to utilise existing staff to their full potential by diversifying expertise in new and evolving areas, to be able to compete for projects in emerging markets. The focus in the region must continue to be on the retention, up-skilling and re-skilling of existing staff in order to be able to deal with the economic challenges ahead.

**CECA recommends:**

- **Careers advice system to widely promote the varied job opportunities offered within the sector to attract a more diverse workforce;**
- **Increased funding for the up-skilling and qualifying the existing workforce to aid retention and enable work in new and emerging markets;**
- **Increased provision and funding for those companies who are able to take on construction Apprentices and other new entrants in order to meet long-term skills requirements.**



## Infrastructure & The Environment

Environmental protection has been at the heart of policy making for many years. Yet, environmental challenges for the construction industry are quite daunting, not least for smaller contractors.

CECA supports its members to overcome these challenges, and endorses the government's Strategy for Sustainable Construction.

To ensure industry continues to contribute to more sustainable infrastructure CECA recommends:

- **The consolidation of existing environmental legislation;**
- **The creation of an oversight body to ensure uniform and appropriate application of environmental legislation;**
- **The creation of a legal requirement for construction design to incorporate measures to reduce waste.**



## About the Civil Engineering Contractors Association

The Civil Engineering Contractors Association (CECA) represents the companies that build, maintain and upgrade the UK's infrastructure. CECA maintains a close relationship with clients, government and the media to ensure that our members' expertise is shared as widely as possible.

An estimated 70-80% of all civil engineering activity annually is carried out by CECA members. CECA is made up of eight autonomous regional companies based across the UK. CECA South West member companies have an approximate turnover of £1.5 billion per year and employ approximately 13,000 people.

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