

Infrastructure: The Routemap for Regional Growth



Civil Engineering
Contractors Association
Yorkshire & Humberside

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Yorkshire & Humberside:

The Importance of Infrastructure

Yorkshire and Humberside is home to some of the UK's most famous and industrious cities. The region is also known for its ports and harbours, which have allowed the area to export its products to the world. More recently traditional industries have been complemented by a flourishing financial services industry in Leeds. Many large companies also choose to establish their UK headquarters in the region. The diverse make-up of the regional economy is one its key strengths.

Despite being hit hard by the economic downturn and with a fragile recovery ahead, the region is ideal for companies that have the potential to grow as the economy recovers. Creating the right condition for these businesses to thrive, with the right support and investment, is essential and should play a key part in reducing the economic imbalances between the north and south of the country. The region is growing in population size and is expected to increase in the long term. However, its labour market is weak and Yorkshire and Humberside continues to lag behind the UK average in terms of skills, largely because about half of the jobs are in low-level occupations.





Yorkshire and Humberside is well connected with the rest of England and the UK by north-south and east-west road and rail links as well as three international airports. However, many local routes remain in need of improvement.

Good infrastructure is essential for the region to prosper and there is an urgent need to invest in infrastructure in Yorkshire and Humberside.

Such investment has a stronger positive effect on GDP per capita than other forms of spending. For every pound spent on construction, our economy benefits to the tune of £2.84, with even higher returns on infrastructure projects.

Better transport will improve the competitiveness of our business, while universal superfast broadband will accelerate our information economy. Eighteen per cent of the UK's entire electricity production is generated in the Yorkshire and Humberside with the amount generated going towards meeting new and existing energy needs. At the same time upgraded waste and water networks are required to meet the demands of an increasing population.



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 and delivered upon on a local level ensure these plans are delivered.

£250bn 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. 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 Yorkshire and Humberside, provides key recommendations to ensure our region remains an attractive place to do business. Our recommendations will benefit business and the public in the long term and will create sustainable and skilled jobs in the construction sector.



Local Enterprise Partnerships

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

CECA recommends:

- LEPs in Yorkshire and Humberside to work together to focus on the delivery of infrastructure to boost growth;
- LEPs in Yorkshire and Humberside 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; and
- Ineffective LEPs in the region should be merged with their more efficient neighbours creating a 'super LEP' to enable more joined-up thinking.



Leeds Next Generation Transport

CECA welcomes the approval of a new £250 million public transport system which is expected to provide over 4,000 local jobs and boost the West Yorkshire economy.

The project will enable revitalised retail development and housing in the city centre and ensure the regeneration of areas to be served by the route. The proposed benefit of the scheme is calculated to be £5.90 for every £1 of Government funding, meaning that the annual GDP of Leeds City Centre will increase by £176 million, or 3 per cent.

CECA recommends:

- **Decision-making powers on the scheme must be passed to the authorities in Leeds, who know what system is right for the city and who are working with the Department for Transport to provide funding. This is in line with core cities plans outlined for Leeds.**



Commitment to the Green Port

Green Port Hull has the potential to be the single biggest influence on Hull's economy for generations. A final decision by Siemens on its commitment to the development is expected to be made early in 2013.

CECA recommends:

- There must be a move from a memorandum of understanding to a signed contract with Siemens;
- The passage of the Energy Bill must be accompanied by a high level of engagement by the Chancellor and his ministerial team to reassure the sector in general and Siemens in particular of the Treasury's commitment to renewables;
- Establishment of a branch of the new Green Investment Bank in Hull or the Humber area to create formal link between the bank and opportunities involving renewables and the Green Port Hull development.



The Northern Hub

CECA Yorkshire & Humberside welcomes Network Rail's plans for the Northern Hub. It is central to rebalancing the national economy.

The Northern Hub will create £4bn worth of wider economic benefits to the region and a £4 boost to the economy for every £1 spent.

Network Rail is now engaged in finalising the best design to deliver the programme and it is essential that its plans are implemented properly.

CECA also welcomes proposals for the creation of a southern entrance to Leeds railway station as this opens Holbeck and South Leeds for regeneration.

CECA recommends:

- **Given the strong growth case associated with the delivery of the Northern Hub, we believe that it is essential that it proceeds to delivery promptly, allowing its benefits to be secured as soon as possible.**



Leeds: A High-Speed City

CECA welcomes the announcement of the route of the high-speed rail link to Leeds and Manchester. It is anticipated that the route to Leeds will generate a local productivity benefit of £2.3 billion.

The completion of HS2 to Leeds is expected to be around 2032, but CECA would like to see that date brought closer.

For the advantages of Leeds becoming a high-speed city to be across the region our existing transport network needs to be HS2-ready. Investment in the existing rail network is needed and the measures identified in the Yorkshire Rail Network Study must be implemented.

CECA recommends

- **Commissioning of an independent study into the benefit of completing the HS2 route to Leeds ahead of 2032;**
- **Full implementation of the measures identified in the Yorkshire Rail Network Study.**



Electrifying Key Routes

The creation of a high-capacity 'electric spine' running from Yorkshire and the West Midlands to south coast ports will enable more reliable electric trains cut journey times and boost capacity for passengers and freight.

Government expects the industry to develop and deliver the electric spine by 2019. It also expects the industry to identify the most efficient strategic electrification schemes that may be considered for delivery between 2019 and 2024.

An assessment is also underway to understand which structures need to be modified for electrification on the North TransPennine route. Once complete, a fully electrified route will be provided between Manchester, Leeds and York.

CECA recommends:

- **Cross-party support is essential in order to deliver these projects on time and for any future electrification schemes.**



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:

- **The A63 Castle Street Improvement Scheme must be considered for delivery in the early years of the next spending review period (post-2015);**
- **The M1 Managed Motorway proposal for junctions 39-42 must be prepared for start of construction before 2015; Junctions 28-31 must be completed by spring 2015; and Junctions 32-35a must be completed by summer 2015;**
- **Regional Growth Fund allocations to be used to improve local roads.**



A 21st Century 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:

- **Water regulator OFWAT must confirm a settlement for AMP6 with local water companies to deliver the essential upgrade of water infrastructure in the Yorkshire and Humberside region;**
- **The implementation of uniform site water skills standards;**
- **Mandatory sustainable drainage to reduce flooding risk.**



Creating Regional Opportunities

With falls in employment in the sector expected to rise to an average of 1.6% per year until 2017, the focus in the region must be on the retention, up-skilling and re-skilling of existing staff in order to be able to deal with the economic challenges ahead. Companies need to be able to utilise existing staff to their full potential by diversifying expertise in new and emerging areas, to be able to compete for projects in emerging markets.

CECA recommends:

- **Increased funding for the up-skilling and qualifying the existing workforce to aid retention and enable work in new and emerging markets;**
- **Increased facilitation and assistance for those companies who are able to take on Apprentices and other new entrants during these challenging circumstances, in order to meet the long-term skills requirements.**



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About the Civil Engineering Contractors Association Yorkshire & Humberside

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 Yorkshire & Humberside member companies have an approximate turnover of £13.3 billion per year and employ approximately 69,000 people.

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