

Infrastructure: The Routemap for Regional Growth



Civil Engineering
Contractors Association
North West

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Supporting the North West:

The Importance of Infrastructure

North West England has a strong scientific, technological and industrial heritage. The region is also known for its ports and the largest freight waterway in the UK essential for moving cargo around the UK and the world. It is a diverse region with both large urban areas and rural areas. Approximately 80 per cent of the region is classed as rural.

Historically linked with coal, steel and the textiles industry, Manchester and Liverpool are viewed as attractive cities to locate a business, attracting inward investment from the USA, Asia, Europe and the UK. The region is home to 80 of the FT Top 100 companies. However, the North West has been one of the hardest hit regions in the recent downturn.

There are over 7.1 million people living in the North West and this represents 13 per cent of the population of England and Wales. It is the most densely populated region after London, but has an unemployment rate of 8.4 per cent. The Jobseekers Allowance claimant count is well above the UK rate and the region lags behind the UK average in terms of skills and pay.

Despite being hit hard by the economic downturn and with a fragile recovery ahead, the region's excellent communications and skilled labour market make it 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 North West 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 the North West.

For each £1 increase in infrastructure investment, UK-wide GDP increases by a total of £1.30, and every £1 of infrastructure construction increases overall economic activity by £2.84.

Better transport will improve the competitiveness of our business, while universal superfast broadband will accelerate our information economy. The South Morecambe gas field is one of the UK's largest fields, and at peak supplies around eight per cent of the UK's residential gas demand.

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 the North West, provides key recommendations to ensure our region remains an attractive place to do business. Our recommendations will benefit business and the public and will create sustainable and skilled jobs in the construction sector.



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 North West to work across borders to focus on the delivery of infrastructure to boost growth**
- **LEPs in the region 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.**



Atlantic Gateway

CECA believes that the Atlantic Gateway low-carbon redevelopment project provides an important opportunity to attract investment, accelerate growth in the regions, create jobs and rebalance the economy.

CECA recommends:

- **Westminster Government must recognise the importance of the Atlantic Gateway by appointing a Minister to champion the project**
- **Fast-track those elements of the package at different stages of design, elaboration and planning clearance in order to be ready for eventual economic pick-up.**



The Mersey Gateway Bridge

The Mersey Gateway Bridge is expected to create over 4,600 jobs, improve journey times and reliability for millions of people in the region and introduce significant inward investment and regeneration. The bridge is extremely important to the long term success of the Atlantic Gateway.

CECA recommends:

- **The winning consortium awarded the 30-year contract to design, build, finance and operate the toll bridge and associated highway network connections must work closely with regional and local contractors to ensure that the project is delivered to time and budget and delivers the greatest local economic benefits**
- **Extend central Liverpool to John Lennon Airport via rail or tram link, and ultimately to the Mersey Gateway Bridge to provide a route to the south of the region and beyond.**



A 21st Century Rail Network

CECA welcomes Network Rail's plans for the Northern Hub. It 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 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**
- **Maintained focus on Manchester to Liverpool and Blackpool and Manchester to Leeds electrification projects and Ordsall and Arpley Chord projects to complement hub**
- **Ensure that the upgraded regional network dovetails with HS2 to maximise benefit to the entire region.**



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**
- **UK Government to develop a new model for the ownership and management of the English strategic roads network, focussing on providing long-term certainty of investment**
- **Regional Growth Fund allocations to be used to improve local roads**
- **Developers, Highways Agency and local bodies to work closely with civil engineering contractors to ensure soundness of the business case, funding mechanism and traffic model, enabling South East Manchester Multi Modal Strategy to stay on track.**



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 stop the lights from going out.

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**
- **Maintained policy focus to ensure the Moorside project remains on track**
- **CECA recognises the need for alternative supplies of natural gas, and is supportive of the shale gas extraction programme that is being led in the North West through the development of the Bowland Shale Field, where there is an estimated 1300 trillion cubic feet of gas.**



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:

- **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 North West**
- **Commissioning of a feasibility study to consider options for bulk transfer of water across the UK**
- **Smoothing of investment in the water sector to remove current boom-and-bust cycles**
- **The implementation of uniform site water skills standards**
- **Mandatory sustainable drainage to reduce flooding risk.**



Creating Regional Opportunities

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. For every 1,000 jobs that are directly created in infrastructure construction, employment as a whole rises by 3,050 jobs.

CECA recommends:

- **Careers advice system to identify employer demand and stimulate industry-focused training provision, and to promote the varied job opportunities offered within the sector to attract a more diverse workforce**
- **Increased funding for the up-skilling and qualifying of 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.**



CECA North West

List of Member Companies

- A E Yates Ltd
- ACS Construction Group Ltd
- Aggregate Industries
- Balfour Beatty
- BAM Nuttall Ltd
- Barhale plc
- Bethell Construction Limited
- Bilfinger
- Birse
- Black & Veatch Limited
- Buckingham Group Limited
- Byzak Limited
- C A Blackwell (Contracts) Limited
- C J Pryor Group
- Carillion
- Centum Construction Services Ltd
- Cheetham Hill Construction
- Clancy Docwra Ltd.
- Colin Briscoe Construction
- Concrete Repairs Ltd
- Costain
- D Morgan PLC
- DCT Civil Engineering Ltd
- Eric Wright Civil Engineering Ltd
- F J Goodwin & Sons (Manchester) Ltd
- Fox (Owmbly) Ltd
- Galliford Try
- GPL Civils
- Graham
- Hanson Contracting
- Harry Fairclough Construction Ltd
- Hydrock
- I & H Brown Ltd
- Interserve Construction Limited
- The Murphy Group
- JK Guest Ltd
- Jones Bros Ruthin (Civil Engineering) Co Ltd
- Kaberry Construction Ltd.
- Kier Infrastructure & Overseas Ltd
- Lafarge Tarmac
- Miller Construction UK Limited
- Morgan Sindall PLC
- PL Civil Engineering
- PP O'Connor Ltd.
- Ruttie Construction Limited
- Sir Robert McAlpine Ltd
- Skanska Civil Engineering
- Spence Ltd
- V J Donegan & Co. Ltd
- Vinci
- VolkerWessels UK Ltd
- Westshield Limited
- William Pye Limited
- Wrenco (Contractors) Ltd



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 North West member companies have an estimated turnover of £2.2 billion and employ approximately 19,200 people in the region.

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