

MINUTES

Meeting: Commission Meeting

Date: 25 June 2020

Time: 1pm

Place: Video conference

Attendees

Commission Members:

Sir John Armitt	(Chair)
Professor Sir Tim Besley	(Commissioner)
Professor David Fisk CB	(Commissioner)
Andy Green CBE	(Commissioner)
Professor Sadie Morgan OBE	(Commissioner) (Item 4 – 8)
Julia Prescott	(Commissioner)
Bridget Rosewell CBE	(Commissioner)

Secretariat:

James Heath	(Chief Executive)
James Richardson	(Chief Economist)
Giles Stevens	(Director of Policy)
Charlotte Goodrich	(Chief Operating Officer)
	(Head of Communications)
	(Commission Secretary)
	(Senior Policy Adviser)
	(Head of Economic Analysis) (Item 5; 7 – 8)
	(Modelling Lead) (Item 5)
	(Policy Adviser) (Item 6)
	(Senior Policy Adviser) (Item 6)
	(Senior Economic Adviser) (Item 7 – 8)
	(Senior Policy Adviser) (Items 7 - 8)
	(Rail Policy Adviser) (Items 7 – 8)
	(Assistant Director) (Items 7 – 8)
	(Senior Policy Adviser) (Items 7 – 8)
	(Senior Policy Adviser) (Items 7 – 8)

External Guests

Professor Diane Coyle	(Bennett Professor of Public Policy, University of Cambridge)	(Item 7)
Professor Philip McCann	(Chair in Urban and Regional Economics, University of Sheffield)	(Item 7)
Professor Henry Overman	(Professor of Economic Geography, LSE)	(Item 7)

1. Apologies and Welcome

1.1 The Chair noted Sadie Morgan (SM) would be joining the meeting late.

2 Minutes and matters arising

2.1 No comments were made on the minutes of the last meeting. The Chair noted the actions in the action log.

3 Chair's update

3.1 The Chair provided an update on his activities since the last meeting, noting meetings with EDF Energy and China General Nuclear Power Group, meetings to support the rail needs assessment, and meetings on the practicalities of the transition to electric vehicles.

4 Chief Executive's update

4.1 The Chief Executive (JH) highlighted the key objectives for the meeting, to agree a new modelling project using 'agent-centred' modelling and to agree a precise definition of the Commission's regional economic growth objective.

4.2 JH noted that the National Infrastructure Strategy was likely to be published in the autumn but that the Commission's recommendations will also influence the fiscal statement in July.

4.3 JH noted that the secretariat were beginning new work on infrastructure and longer term decision making and on the affects of Covid-19 on infrastructure supply and demand, both of which would inform the second National Infrastructure Assessment.

5 Pilot model for the market provision of infrastructure

5.1 The Chair invited DM to introduce a pilot modelling project to use agent centred modelling to understand the market outcomes of interactions between a diverse range of agents in the market to supply heat to consumers.

5.2 DM noted that the output of the project would be to build the Commission understanding of and capacity to use agent centred modelling, as well as to understand the range of possible outcomes in the heat market. DM asked whether the Commission were content to proceed with the project as outlined.

DECISION: The Commission approved the plan for the project, subject to the above considerations.

6 Design Group work plan update

6.1 The Chair invited SM to update on the work of the National Infrastructure Design Group (NIDG). SM noted three ongoing pieces of work: work with the Institution of Civil Engineers to explore how to embed the group's design principles across infrastructure sectors; a stakeholder mapping exercise; and a design award to be run in collaboration with the British Construction Industry Awards.

6.2 Commissioners registered their thanks for the ongoing work of the NIDG.

7 Guest Speakers: Professor Diane Coyle, Professor Philip McCann and Professor Henry Overman

7.1 The Chair welcomed Professor Diane Coyle (DC), Professor Philip McCann (PM) and Professor Henry Overman (HO) to give their perspectives on the role of infrastructure investment in supporting economic growth.

7.2 DC noted that the university educated population's share of employment increased with population density, and that the gap between the graduate and non-graduate share of employment in high density places was accelerating over time. DC reflected that the calculation of the impact of infrastructure investment on growth depended on assumptions about whether factors were allocated efficiently across the country. She also noted that cost benefit analyses assume that other factors are equal but there was evidence a constellation of policies were needed to drive change, with infrastructure investment being necessary but not sufficient.

7.3 PM suggested that the problem with regional inequalities was forty years old, but that too much of the data to understand the UK's case was derived from the US example when western European countries were far more similar to the UK. He argued that policy makers should not consider a trade-off between an efficient allocation of funds and fairness in terms of regional share, because regional inequality was itself a drag on economic growth.

7.4 HO argued that existing data was not consistent and so it was unclear what impact infrastructure investment had on growth, however there were public good arguments for infrastructure investment so policy makers should not just focus on its impact on productivity.

The Chair opened to questions from Commissioners.

8 Metrics: Regional Economic Growth

8.1 The Chair invited CW to introduce a paper defining the Commission's objective to secure 'sustainable economic growth in all regions of the UK'. CW asked Commissioners to consider which, if any, of the definitions in the paper were most appropriate.

DECISION: Commissioners agreed on a definition of regional economic growth, subject to the above considerations.

9 AOB

9.1 SM asked about progress on the Commission's work on diversity and inclusion. Commissioners agreed that this should be brought forward for discussion at the next Commission meeting.

