

# **CORPORATE PLAN**

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**2020-21 to 2022-23**

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# Introduction

The National Infrastructure Commission (“the Commission”) provides the government with impartial, expert advice on major long term infrastructure challenges. It operated in interim form from October 2015 and was established permanently as an Executive Agency of HM Treasury on 24 January 2017.

The Commission aims to be the UK’s most credible, forward thinking and influential voice on infrastructure policy and strategy:

- **Credible:** producing reports and analysis of the highest quality, written in plain English, independent of government and all vested interests, making clear recommendations based on rigorous evidence and developing an evidence base which sets a gold standard in its quality and breadth
- **Forward thinking:** taking a strategic approach, which links long term priorities with short term action and considers infrastructure as a system, not as a collection of silos; maintaining an international perspective and engaging closely with cutting edge expertise; and open to new approaches and ideas
- **Influential:** building broad support for its analysis and recommendations, working across society, government, Parliament and industry; producing work which is objective, fair and transparent; looking for deliverable solutions; and following up on recommendations.

This Corporate Plan sets out our key achievements from April 2019 to March 2020 and our corporate objectives and a high level business plan up to 2022-23.



Chair Sir John Armitt speaking in the House of Commons, February 2020

# 1. Remit and structure of the Commission

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**The Commission's remit covers all sectors of economic infrastructure: energy, transport, water and wastewater (drainage and sewerage), waste, flood risk management and digital communications. The Commission also considers potential interactions between its infrastructure recommendations and housing supply. Housing supply itself, other social infrastructure such as schools, hospitals or prisons, and agriculture and land use are all out of scope of the Commission.**

The Commission's objectives are to support sustainable economic growth across all regions of the UK, improve competitiveness, and improve quality of life.

The Commission delivers the following products and services:

- a *National Infrastructure Assessment* once in every Parliament, setting out the Commission's assessment of long-term infrastructure needs with recommendations to the government
- specific studies on pressing infrastructure challenges as set by the government, taking into account the views of the Commission and stakeholders, including recommendations to government
- an *Annual Monitoring Report*, taking stock of the government's progress in areas where it has committed to taking forward recommendations of the Commission.

The Commission's binding fiscal remit requires it to demonstrate that all its recommendations for economic infrastructure are consistent with, and set out how they can be accommodated within, gross public investment in economic infrastructure of between 1 per cent and 1.2 per cent of GDP each year between 2020 and 2050. The Commission's reports must also include a transparent assessment of the impact on costs to businesses, consumers, government, public bodies and other end users of infrastructure that would arise from implementing the recommendations.

When making its recommendations, the Commission is required to take account of both the role of the economic regulators in regulating infrastructure providers and the government's legal obligations, such as carbon reduction targets or making assessments of environmental impacts. The Commission's remit letter also requires the Commission to ensure that its recommendations do not reopen decision making processes where programmes and work have been decided by the government or will be decided in the immediate future.

The Commission's remit extends to economic infrastructure within the UK government's competence and will evolve in line with devolution settlements. This means the Commission has a role in relation to non-devolved UK government infrastructure responsibilities in Scotland, Wales and Northern Ireland (and all sectors in England).

The Infrastructure and Projects Authority (IPA), a separate body, enables the long term planning carried out by the Commission to be translated into successful project delivery, once the plans have been endorsed by government.

## The Commission's members

The Commission comprises a Chair and between four and 12 additional non-executive Commissioners. The current members of the National Infrastructure Commission are:

- **Sir John Armitt CBE (Chair)** published an independent review on long term infrastructure planning in the UK in September 2013, which resulted in the National Infrastructure Commission. Sir John is the Chairman of the National Express Group and the City & Guilds Group and sits on the boards of the Berkeley Group and Expo 2020.
- **Professor Sir Tim Besley CBE** is School Professor of Economics and Political Science and W. Arthur Lewis Professor of Development Economics at the LSE. From September 2006 to August 2009, he served as an external member of the Bank of England Monetary Policy Committee.
- **Professor David Fisk CB** is the Director of the Laing O'Rourke Centre for Systems Engineering and Innovation Research at Imperial College London. He has served as Chief Scientist across several government departments including Environment and Transport, and as a member of the Gas and Electricity Markets Authority.
- **Andy Green CBE** holds several chairman, non-executive director and advisory roles, linked by his passion for how technology transforms business and our daily lives. He chairs Lowell, a major European credit management company and has served as Chair for the Digital Catapult, an initiative to help grow the UK Digital Economy.
- **Bridget Rosewell CBE** is a director, policy maker and economist. She served as Chief Economic Adviser to the Greater London Authority (2002-2012) and worked extensively on infrastructure business cases. She is a director of Network Rail, Chair of the Atom Bank and Non-Executive Chair of the Driver and Vehicle Standards Agency.
- **Professor Sadie Morgan OBE** is a founding director of the Stirling Prize winning architectural practice dRMM. She is also Chair of the Independent Panel for High Speed Two and is a Mayor's design advocate for the Greater London Authority. She sits on the boards of the Major Projects Association and Homes England.
- **Julia Prescott** is a Co-founder and Chief Strategy Officer of Meridiam and sits on the Executive Committee of Meridiam SAS. She has been involved in long term infrastructure development and investment in the UK, Europe, North America and Africa. Since 2019 she has sat on the board of the Port of Tyne.

**Dame Kate Barker** left the Commission at the end of March 2020 to become Chair of the Universities Superannuation Scheme.

## 2. Strategic objectives and outputs from April 2019 to March 2020

### Milestones

Date	Milestone
17 April 2019	Publication of the <i>Better Delivery: the challenge for freight</i> report, which outlined the Commission's view on what action is needed to enable the UK's freight networks to meet the growing demands for fast deliveries, while also reducing their impact on congestion and the environment
26 July 2019	Publication of the <i>Evaluating the Performance of Private Financing and Traditional Procurement</i> paper, which included an analytical framework to develop insights into the merits and shortcomings of procurement models
13 September 2019	Publication of the <i>Resilience Study Scoping Report</i> , which presented the Commission's initial work on resilience which outlines a number of cross cutting resilience challenges
11 October 2019	Publication of <i>Strategic Investment and Public Confidence</i> report, which set out the Commission's views on how regulation of the UK's energy, telecoms and water industries should be strengthened and updated
18 October 2019	Publication of <i>Estimating comparable costs of a nuclear regulated asset base versus a contract for difference financing model</i> paper, which provided a method for evaluating the type and scale of costs associated with applying a regulated asset base (RAB) model in building new nuclear power plants.
24 October 2019	Publication of the Commission's <i>Annual Report and Accounts 2018-19</i> , which detailed the organisation's financial position and performance and its primary activities, risks and corporate processes
29 October 2019	Publication of the <i>Capturing the value of urban transport investments</i> paper, which suggests a new experimental approach which could be used to assess the benefits of urban transport projects
5 February 2020	Publication of the <i>Design Principles for National Infrastructure</i> , developed by the Commission's Design Group, which set out four principles to guide the planning and delivery of major infrastructure projects

6 February 2020	Publication of <i>Connected Future: Getting back on track</i> , which reviewed the government's progress against recommendations made by the Commission in its 2016 <i>Connected Future</i> report on 5G digital mobile connectivity, while also outlining four areas in which government must improve progress
26 February 2020	Publication of the <i>Annual Monitoring Report 2020</i> , which set out the Commission's views on the government's progress over the past year in response to the National Infrastructure Assessment and the six specific studies published by the Commission to which the government has responded
6 March 2020	Publication of <i>Net Zero: Opportunities for the power sector</i> , which updated the electricity system modelling carried out for the Commission's first Assessment to account for the government's legislated net zero target and reiterated the arguments for the Commission's recommendations on low carbon power
13 March 2020	Publication of the <i>Infrastructure to support housing</i> paper, which analysed issues first identified in the 2018 National Infrastructure Assessment concerning barriers to the efficient delivery of new housing
25 March 2020	Publication of a <i>call for evidence</i> , the first step in building an evidence base for the Commission's Rail Needs Assessment for the Midlands and the north

## Achievements from April 2019 – March 2020

In 2019-20 the Commission had four business delivery objectives outlined in its Corporate Plan 2019-20 to 2021-22. Below is a summary of our performance against each of these areas:

### Business Delivery Objective 1: Delivering a programme of work consistent with the Commission's responsibilities under its Charter and remit letter and agreed by the members of the Commission

The Commission has published a series of reports providing robust, independent and evidence based advice. This included the *Strategic Investment and Public Confidence* report, which outlined the Commission's view on how to strengthen and update the UK's model of regulation for energy, water and telecoms sectors. These reports were informed by wide ranging programmes of engagement which included formal consultations, workshops and bilateral meetings.

The Commission has continued to be a source of advice for government and parliament which is evidenced through select committee appearances and the provision of updated analysis to reflect changing legal obligations on the government, including the commitment to net zero by 2050.

## **Business Delivery Objective 2: Laying foundations for the Commission's second National Infrastructure Assessment**

The Commission has carried out a wide range of preparatory work and analysis in preparation for the second *National Infrastructure Assessment*, including further development of its analytical framework and methodology and the pilot application of an analytical framework for assessing the performance of different procurement models.

This has been supported by a rolling programme of engagement with key individuals and organisational stakeholders to monitor the implementation of the Commission's recommendations and influence the government's National Infrastructure Strategy, including bilateral meetings, parliamentary awareness events and presentations by senior government officials to the Commission.

## **Business Delivery Objective 3: Develop and implement governance and operational arrangements which will enable the Commission to operate as a responsible, effective and transparent Executive Agency, with a strong reputation and profile**

The Commission has continued to develop and implement improved governance, internal control and budget management arrangements resulting in improved organisational transparency and accountability. As part of this drive, the Commission has reviewed and refreshed organisational risk management arrangements to ensure its structures continue to reflect the maturing nature of the organisation and in line with the government's *Orange Book*. During this period the Commission has continued to respond to and embed recommendations from both internal and external audit.

The Commission has also further developed its operational arrangements, including its communication function which has enabled it to raise awareness of its recommendations amongst its key stakeholders and the wider public through both traditional and social media. This includes increasing followers of the @NatInfraCom Twitter feed from 4,740 in February 2019 to 5,852 in March 2020 through frequent live tweeting of events and sharing of visual content, such as report infographics and videos.

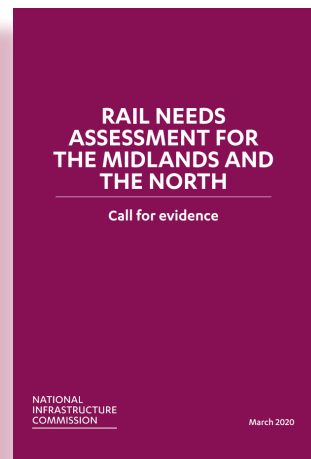
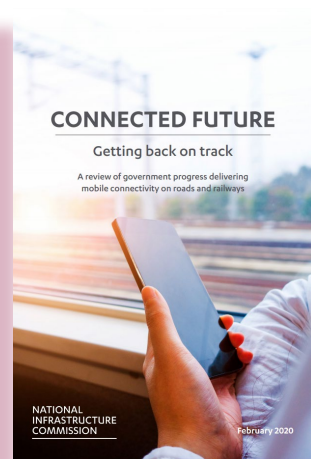
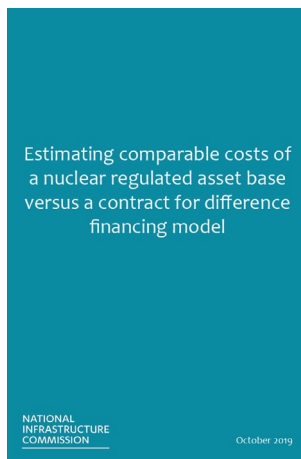
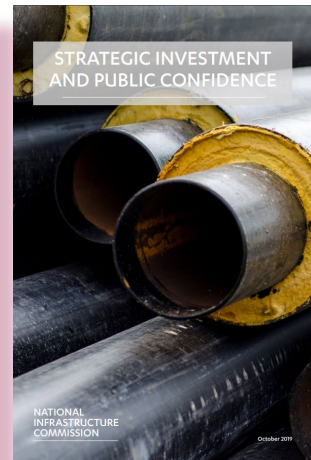
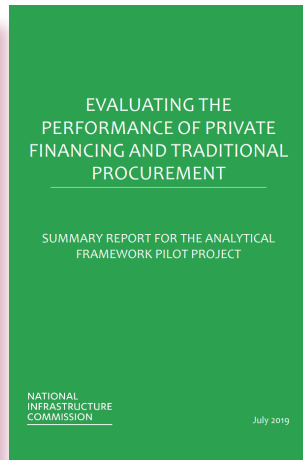
## **Business Delivery Objective 4: Develop and implement corporate and human resources policies which facilitates the attraction, development and retention of a skilled and motivated workforce**

The Commission has developed and introduced updated HR and corporate policies tailored to the Commission's organisational characteristics, compliant with both Cabinet Office best practice and employment legislation, which provide clear guidance to the Commission's managers and employees on a wide range of issues, such things as propriety and ethics and performance management.

In addition to this, it has also implemented improved talent management arrangements and promoted the organisation's learning and development offer to assist the organisation in attracting, developing and retaining its high performing staff.



## The Commission published 12 infrastructure reports and papers from April 2019 to March 2020



# 3. Corporate activity and business plan

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## Objectives

During 2019 the Commission undertook its first multi year strategic priority planning exercise which included extensive consultation with Commissioners and the Secretariat. This has led to the creation of a multi year organisational strategy covering the period up to 2023 and the publication of the second *National Infrastructure Assessment*.

The four strategic priorities outlined in this strategy are shown below, alongside a summary of the action the Commission will take from 2020 to 2023 to meet them.

### Strategic Priority 1: Set the agenda for economic infrastructure

To achieve this, we will:

- develop our understanding of the performance of the UK's infrastructure and an updated analysis of long term priorities for policy and investment
- actively think beyond current debates, explore different starting points for undertaking policy and analysis, understand a wide range of perspectives, and develop alternative tools and methodologies for analysing infrastructure challenges
- on this basis, and building on the first *National Infrastructure Assessment*, generate a clear long term vision for the UK's infrastructure and cross cutting plan to achieve it
- share our developing analysis with the public and build consensus for our emerging conclusions, including our understanding of the key challenges and our vision for the future.

### Strategic Priority 2: Promote and enable better infrastructure decisions

To achieve this, we will:

- identify key decisions within our remit which need to be made, and provide advice to government, including tackling specific decisions not made in the first *National Infrastructure Assessment*
- identify and resolve problems in the infrastructure decision making architecture, including developing our expertise in this area and considering ways to incorporate the public's views into decision making processes
- identify and fill evidence gaps which prevent important decisions being taken well
- support other organisations to build their capacity to take good decisions.

### Strategic Priority 3: Secure positive responses to our recommendations and support their delivery

To achieve this, we will:

- build a broad consensus in support of the Commission's approach, analysis and recommendations across public, private and third sectors, and government at every level from local to international
- track the government's direct responses to our recommendations and, where they are endorsed, hold the government to account for delivering them
- develop, implement and continuously refine a monitoring methodology to measure progress in delivering the infrastructure outcomes that the Commission's recommendations seek to achieve.

### Strategic Priority 4: Create an organisation built on collaboration, professionalism, and a high-performance culture

To achieve this, we will:

- deliver our world class policy and analytical work through an enhanced project management framework and a rigorous, evidence based methodology, underpinned by robust quality standards
- support our strategy through sound financial planning and management, driving efficiency across the organisation grounded in a sound and open governance framework
- embed a high performance culture delivered by a diverse and inclusive workforce
- support the organisation through a mature, integrated corporate services offering that promotes transparent and informed decision making.



Commissioner Bridget Rosewell recording an episode of the Young Professionals Panel's Infra[un]structured podcast

During 2020-21 the Commission will achieve the following in response to its four strategic priorities:

#### **Strategic Priority 1: Set the agenda for economic infrastructure**

- The Commission will continue to identify and propose solutions to the UK's most pressing infrastructure needs. To achieve this, we will build on the first National Infrastructure Assessment through further development of the Commission's data modelling capability and identification of key data gaps.
- The Commission will also build consensus for its emerging conclusions, including our understanding of the key challenges and our vision for the future. This includes publication of the *Resilience Study* (Q2, 2020-21) which will outline policy recommendations on resilience, identify where near term changes are needed, and develop a framework for identifying and addressing resilience issues now and in the future.

#### **Strategic Priority 2: Promote and enable better infrastructure decisions**

- The Commission will continue to support government decision making by providing impartial, expert advice, including tackling specific decisions not made in the first National Infrastructure Assessment. This will include completing a study assessing the rail needs of the Midlands and the north. The Commission will also build on the work of the Design Group to inspire renewed ambition for the quality of the UK's infrastructure and further developing the Commission's analytical framework and methodology for assessing the impacts of infrastructure recommendations.
- It will also go further by identifying and addressing areas for more effective decision making from central government, devolved administrations, local authorities, regulators and private sector infrastructure companies. This will include supporting other organisations in building their capacity to take good decisions through the launch of a data portal (Q4, 2020-21) to provide access to the Commission's metrics and data.

#### **Strategic Priority 3: Secure positive responses to our recommendations and support their delivery**

- The Commission will continue to monitor the government's progress in delivering infrastructure projects, policies and programmes recommended by the Commission. To achieve this it will develop, implement and continuously refine its monitoring methodology to measure progress in delivering the infrastructure outcomes that its recommendations seek to achieve.
- The Commission will also make an ongoing, public case that the recommendations it has made should be adopted. It will achieve this through building a broad consensus in support of the Commission's approach, analysis and recommendations across public, private and third sectors, and government at every level from local to international.

#### **Strategic Priority 4: Create an organisation built on collaboration, professionalism, and a high performing culture**

- The Commission will continue to develop its corporate and governance functions to support its staff and our key stakeholders, safeguard the quality and reputation of our work and ensure compliance to all legal and regulatory requirements. This will include delivering our world class policy and analytical work through an enhanced project management framework and a rigorous, evidence based methodology, underpinned by robust quality standards. This will be supported through sound financial planning and management, driving efficiency across the organisation grounded in a sound and open governance framework.
- The Commission will also develop and launch its first Diversity and Inclusion Strategy during 2020-21, which seeks to improve diversity and inclusion within its workforce and the wider infrastructure sector.



## Plans for 2021-22 onwards

In 2021-22 and 2022-23, the Commission will continue its preparation for the second *National Infrastructure Assessment*, including establishing its proposed scope and methodology, and to continue to publish an annual assessment of the government's progress in delivering its recommendations, where these have been accepted.

We keep this Corporate Plan continually under review and should there be a significant change to our role or remit we will revisit and revise this plan accordingly.



The Commission hosted a series of knowledge sharing events in 2019 and 2020 with local government officials, such as here in Stoke, as part of its work on urban transport

# 4. Corporate governance and resources

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## Corporate Governance

### Oversight Board

The Oversight Board supervises the Commission's financial management and administrative functions. It ensures the Commission has the staff and support it needs to enable it to provide high quality advice to the government and to provide assurance that effective internal control and risk management systems are in place.

The Oversight Board consists of the Chair of the Commission, a representative of the Treasury, appropriate executive members including the Chief Executive and Chief Operating Officer, and non-executive members who may either be Commissioners nominated by the chair, or external members appointed by the chair.

The current members of the Oversight Board are:

- Sir John Armitt (Chair)
- James Richardson (Interim CEO – Executive Member)
- Charlotte Goodrich (COO – Executive Member)
- John Staples (Treasury Representative)
- Michael Brodie (Non-Executive Member)
- Debjani Ghosh (Non-Executive Member)
- Dennis Skinner (Non-Executive Member)
- Katherine Easter (Non-Executive Member).

The Oversight Board's functions relate to the corporate management of the Commission and it has no role in agreeing or reviewing its policy reports or recommendations. The Oversight Board meets at least quarterly.

The Oversight Board is presented with the Commission's performance against key non-financial targets at each meeting to support it in discharging its responsibilities.

These targets are shown below:

Performance area	Metric	Target
Mandatory training compliance	Staff who have completed their mandatory training at the Commission	95%
Correspondence	Items of correspondence received in the quarter responded to within 20 working days	95%
Freedom of Information Act requests	FOI/EIR requests received in the quarter responded to within 20 working days	90%
Outsourced service provision from HM Treasury	Number of service areas where Treasury Group Shared Services have met their KPIs throughout the quarter	95%
	Number of service areas where Treasury IT Services have met their KPI throughout the quarter	95%

The Commission will continue to improve its performance reporting arrangements throughout 2020-21.

## Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee (ARAC) supports the board in discharging its responsibilities in relation to issues of risk, control and governance.

The non-executive members of the Audit and Risk Assurance Committee are:

- Michael Brodie (Chair)
- Debjani Ghosh (Deputy Chair)
- Dennis Skinner.

The Audit and Risk Assurance Committee meets at least quarterly.

The Commission's Chief Executive is designated as Accounting Officer and is responsible for management of the Commission's day-to-day operations, ensuring it is run on the basis of the standards as set out in HM Treasury's *Managing Public Money*.

The Chief Executive is supported by a Senior Management Team (SMT) comprising the Chief Economist, the Director of Policy and the Chief Operating Officer.

To ensure the Commission operates as a responsible and transparent Executive Agency, the following governance arrangements are maintained:

- Programme Board - supporting the SMT on delivery of its portfolio of projects
- Policy Board – supporting the SMT on challenge and consistency across policy projects
- Operations Board – supporting the SMT on organisational development and management.

## Finances

The Commission has a delegated budget of £5.7m for 2020-21, which is the final year of its current multi year budget. Use of these funds is monitored by the Commission's Oversight Board. The Commission's next multi year financial settlement will be agreed during the upcoming Spending Review process in 2020-21.

The Commission has prepared a detailed financial plan as part of its financial management and governance activities for the coming year. Performance against this budget is kept under continual review by the Commission and performance against budget is reported to the Oversight Board on a quarterly basis. Alongside this, the Commission provides HM Treasury with monthly financial and non-financial information to satisfy reporting requirements.

The Commission's total expenditure during 2018-19 was £5.25m against a delegated budget of £5.3m. Its total expenditure for 2019-20 was £5.2m (unaudited) against a delegated budget of £5.7m.

In all its activities, the Commission operates in line with the principles set out in HM Treasury's *Managing Public Money* and seeks to obtain value for money from its expenditure.

Sharing services is important in reducing costs, and as a small organisation it makes financial sense to pool resource to achieve scale. It has therefore purchased administrative support services, where possible, from HM Treasury.

The remuneration of the Chair and Commissioners is published on our website.

The Commission publishes an Annual Report and Accounts detailing the organisation's financial position and performance, and its main activities. These include the audited accounts and financial statements for the stated period. The Commission's most recent *Annual Report and Accounts* covers April 2018 to March 2019 and was published on 24 October 2019.

## Staffing

The Commission's staff come from a wide range of backgrounds and have been recruited from the private sector and regulators, as well as the wider public sector and Civil Service. The Commission has also loaned and seconded members of staff from other government departments, public authorities and industry. These measures have granted the Commission access to a wide range of external skills and expertise enabling it to remain credible and influential with its stakeholders, whilst ensuring it is equipped to respond effectively to the needs and priorities of the organisation.

Since April 2019, the Commission has maintained a steady headcount of approximately 40 staff which has allowed it to recruit specialist skills and expertise to carry out the studies requested by government, as well as undertake preparation for the second National Infrastructure Assessment. As of 31 March 2020, the Commission was supported by 38 staff members.

All members of the Secretariat are managed and have their performance appraised in accordance with Civil Service standards.





The *Design Principles for National Infrastructure* launched in February 2020

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