

Is there life for London after 2012?

Only through close co-operation and long-term vision will there truly be life in London after 2012 says Nelson Ogunshakin.



Nelson Ogunshakin is Chief Executive of ACE, the business organisation that represents over 80 per cent of the UK consultancy and engineering industry.

For two weeks in the summer of 2012, London will be the focus of the world. The reason, of course, is the Olympic Games, which will be hosted by London for the third time in its history. While millions around the world will be tuning in on television, radio, or following the action on the internet, the city itself will also play host to a vast number of visitors in addition to the usual tourist trade.

The Games themselves have proven to be a significant catalyst for infrastructure development in London. As well as the Games venues, construction has happened apace on flagship developments such as Stratford International railway station.

The London 2012 Games are being promoted as the "public transport games", with capacity for around 240,000 people per hour to arrive at the park by rail. As well as the new international rail station, this requires significant capacity upgrades on the Docklands Light Railway, improvements to the London Underground, and designation of a new London Overground network.

In all, it is estimated that the value of Olympics-related infrastructure work will top £1.8 billion. This has produced opportunities for industry to contribute to delivering a great Olympic Games. But once the Olympic and Paralympic parties are over, what will be left?

Research by ACE suggests that, after 2012, major infrastructure development in the capital is likely to be dominated by the Tideway Tunnels, the M25 widening programme, Thameslink and Crossrail. The report, London's Major Infrastructure Projects, examines the outlook for large-scale developments in the capital.

The recession will likely limit the scope for large scale investment in

the coming years. The next comprehensive spending review will require some difficult choices to be made, and there is a good chance that infrastructure budgets will come under pressure.

Looking in turn at the key infrastructure sectors across London reveals some notable trends:

Roads

Widening of the M25 will represent the majority of the strategic road development programme in London until 2016. Work on junctions 16-23 is currently ongoing, with three further phases of widening planned.

Rail

Crossrail is one of the largest single railway projects in the UK in recent times. With a total value likely to reach £16 billion, the project to create a new main line railway tunnel under the capital is a significant feat of engineering that has captured the attention of the engineering industry. Tunnelling is scheduled to begin in 2010, with trains expected to begin running by 2017.

In connection with Crossrail, London Paddington is scheduled to receive a significant upgrade along with the Great Western Main Line. Network Rail plans to electrify the line as far as Oxford, Bristol and Swansea at a cost of £1.1 billion.

Thameslink represents the other major rail development in London. This major programme of renewals, replacements and enhancements is due to be completed by 2015. The £5.5 billion project will result in enhanced capacity and reliability on the direct north-south route between Bedford and Brighton.

Aviation

The continuing uncertainty over BAA has limited development activ-

ity at London's airports. While a third runway is planned for Heathrow Airport – which would enter service by 2020 – there are signs that an incoming Conservative government could cancel this project in favour of a new high speed railway. As yet, though, neither plan is confirmed to be going ahead.

Water

Thames Water has been undertaking a large-scale upgrade of water mains throughout the city, with a further programme of upgrades scheduled for the next investment period. However, its flagship project is the London Tideway Tunnels, a significant undertaking to build two large relief sewers following the courses of the Thames and Lee. The project, which also includes two new treatment facilities, is likely to cost £2 billion.

Energy

Moves to encourage more small-scale electricity generation, plus rising demand due to economic development and the decarbonisation of transport, means that London's core electricity grid will need to be strengthened. There are plans for around £275 million of work to upgrade two main power lines to a capacity of 400 kV. This will facilitate the new generation of nuclear power stations, plus the wider roll-out of infrastructure for electric vehicles.

All of this is good news and, if delivered upon, would ensure that there is an adequate pipeline of work for London's construction industry into the next decade. However, there is still a great deal of uncertainty over future investment opportunities in the capital's infrastructure. The Conservatives have indicated that, should they form the next government, every aspect of public expenditure would come

under scrutiny. Growing public debt as a result of efforts to stave off the worst of the recession will certainly cause a reassessment of investment to balance the books.

For the UK to develop world-class infrastructure, ACE believes that it needs to be sustainable, affordable and fit for purpose. The UK faces significant challenges in terms of meeting its climate change targets and making the investment needed against a backdrop of economic difficulty. Therefore, effective planning and delivery is more important than ever. However, there is the risk that significant reductions in infrastructure investment in 2010 may slow the UK's recovery from recession.

Although the future is likely to be difficult, it does offer an opportunity to reassess the way that infrastructure investment is planned and prioritised. The Government has recently established Infrastructure UK, an overarching body with responsibility for identifying the UK's strategic infrastructure needs over the next fifty years. This strategic approach is welcomed by ACE, and we look forward helping the next government identify the key developments necessary.

What is also needed is affirmative action to ensure that the UK has the financial capacity, skill and flexibility to meet the infrastructural challenges we face. Firstly, policy makers must recognise that all types of infrastructure are interdependent. There can be no room for viewing roads, railways, water or energy in isolation; appropriate development on one must be coordinated with the others. We need a strategic, integrated, long-term vision for the UK's infrastructure networks, and this must be aligned with other policy areas such as climate change, employment and education.

Secondly, there must be sufficient knowledge and capacity among

decision makers to be able to make the right choices. ACE has welcomed the prospect of a Chief Construction Adviser for government, and hopes that this role will inject vital industry expertise into the public investment process. We would also urge other key bodies – such as the agencies responsible for developing our networks – to continue to work closely with industry to determine the best value approaches to infrastructure investment.

Thirdly, there is an urgent need to ensure that the planning system supports the development of the strategic infrastructure that the UK needs. ACE recognises the need for local consent to new developments, but there is a risk that narrow local interests could hold back development of the low carbon energy generation and strategic transport capacity that is required.

The current planning system can be cumbersome and bureaucratic, and for major projects requires significant duplication of effort. The Thames Tideway Tunnel is a prime example. Its developers will require permission from thirteen separate London boroughs in order to proceed. If any one of them withholds consent, then the project could be delayed for years. The Olympic Park development showed how planning procedures can be streamlined for major projects, and we urge the Mayor to promote this innovative thinking more widely.

All of these issues impact on London as much as the rest of the



country. London requires a world-class, integrated infrastructure network to maintain its position as a leading global economic centre. The recession has raised the bar and increased the urgency.

Though the Olympics has proven to be a key driver for development, we cannot afford to wait for major events before we invest in the capital's infrastructure. In the 2006 London Economic Development Strategy the warning was spelled out clearly: failure to deliver on infrastructure development puts London's global competitiveness at risk. The cost could be significant; London has been perceived as having worse transport links than its peers in Europe and beyond. In the race to recovery, this could be a deciding factor.

Yet the opportunities are just as great. London is blessed with an extensive transport network, a wealth of quality spaces and places, and a rich cultural, educational and professional heritage. All of this forms a solid foundation upon which to build for the future – but it requires the quality infrastructure to match.

As the figurehead of a world-class city, the Mayor is central to driving the smart development that London needs. We would like to see the Mayor, with his responsibility for London's economic development, take a proactive role in setting the direction of London's future infrastructure development.

Industry also has a key role to play. By working closely with client bodies as trusted advisers, engineers can guide clients in identifying the best value routes to delivering world-leading solutions to the infrastructure challenge. ACE, with a membership comprising more than 800 consultancy and engineering businesses, will continue to support policy makers and clients in this way.

ACE recognises that available investment in the coming years is likely to be limited. However, the recession will not last forever. Though the next government will need to work hard to balance the books, we would point out that cutting vital investment now will only delay the worst effects, as London would struggle to keep up with more advanced global competition.

Image of Crossrail from Scott Wilson





These are the challenges we face.
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and long-term vision will there truly
be life after 2012.