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**7 March 2016**

Dear Sir/Madam,

We are grateful for the opportunity to comment on the proposals for the National Infrastructure Commission.

We would like to see stronger measures in relation to economic impacts on billpayers and taxpayers than those currently implied under recommendations on transparency. Different types of infrastructure have costs recovered in different ways - through user charges for discretionary purchases (for example, airport charges), through user charges for mandatory purchases of essential services (such as electricity and water infrastructure), through taxation (most roads), and through hybrids of these (such as the combination of taxpayer support and user charging for railways). In the end, the people who pay are the same, but the distributional effects and cumulative impacts of multiple infrastructure policy decisions will vary across the public based on consumption patterns, income, and multiple other factors. We encourage the National Infrastructure Commission to give more scrutiny than is currently proposed to these interactions, to provide reassurance that the burden falling on particular groups (especially for non-discretionary infrastructure product types) does not become excessive. This should include a focus on the impacts on taxation as well as consumer bills, distributional analyses that look at the consequences for groups in different locations, different income levels, and, given the duration of many of the projects under consideration, over different lengths of time. Such analysis has previously been advocated by the National Audit Office, in their report 'Infrastructure investment: the impact on consumer bills', and subsequently endorsed by the parliamentary Public Accounts Committee. The National Infrastructure Commission is probably better placed to do this than any other body, due to its economy wide remit.

The result of these analyses should be a complete economy-wide picture of the investment burden on consumers. This should also take a view of how much is too much, not merely in aggregate % of GDP terms, but also in terms of the appropriate proportion of household spend which is devoted to public infrastructure. This should then be used to inform decisions about the attractiveness and, pivotally, the timing of infrastructure investment decisions so

that costs are spread rather than being focused on particular segments of the public and spiking at particular times.

While we acknowledge the view that Local Plans are the main decision-making process for future housing development, given the importance of housing stock as a current infrastructure asset pool, and the ambition of plans to increase housebuilding over the current parliament and beyond, we encourage the Commission to include in its scope policies relating to housing as infrastructure, and not just oversee non-housing infrastructure that might affect housing sector trends. Furthermore, both because of the value of housing as an infrastructure stock (by most accounts, the most valuable stock of infrastructure in the economy), and because of the related impacts on other parts of the energy system, we encourage the Commission to consider the role of household energy efficiency in improving the value of housing infrastructure and constraining energy bills and energy system investment requirements.

On the other points raised by this consultation:

- We agree with the proposal to establish the Commission as a non-departmental public body under primary legislation.
- We agree with the proposed relationship between the Commission and its recommendations, and Parliament and the government, whereby the government should respond to Assessments but that recommendations not be binding on the Government. Setting the Commission's agenda in a letter from the Chancellor or other designated member of the Government also appears adequate.
- The timing of reports is likely to be politically sensitive, particularly when major projects with localised impacts, such as expansion of Heathrow airport or construction of HS2, are under consideration. This could result in a perception that the NIC may come under external pressure to push back, or pull forward, publication dates. To minimise the risk of such perceptions, we see merit in a relatively clearly scheduled reporting timetable for National Infrastructure Assessments, for example within the first 12 months of a new parliament, so that these are clearly known in advance. This also has the advantage of ensuring that enough parliamentary time is available to allow recommendations to be fully acted on. For specially commissioned and interim reports, the proposal for negotiated scheduling between the Commission and relevant government departments appears appropriate.

- We support the proposed information gathering powers in respect of Government departments and independent regulators.

I trust that this response is clear, but would be happy to discuss any matter raised within it in more depth if that would be helpful.

Yours sincerely

Simon Moore

Policy manager, Strategic Infrastructure, Consumer Futures team