

# Chancellor announces “record investment plans in infrastructure”

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The Chancellor says the government will deliver record investment plans in infrastructure with capital spending next year totalling £100 billion – £27 billion more in real terms than last year.

The announcement was made in the Spending Review in which Chancellor Rishi Sunak says the government will provide over £2 billion to keep transport arteries open, subsidising rail networks.

He said: “Our plans deliver the highest sustained level of public investment in more than 40 years. Once-in-a-generation plans to deliver once-in-a-generation returns for our country.

“The biggest ever investment in new roads. Upgraded railways, new cycle lanes and over 800 zero emission buses. Our capital plans will invest in the greener future we promised.

“We’re publishing today a comprehensive new National Infrastructure Strategy. To help finance our plans, I can also announce we will establish a new UK infrastructure bank.”

Darren Caplan, Chief Executive, Railway Industry Association, said: “It is positive to see the continued

commitment by Government to transport infrastructure, with the announcement today of a new infrastructure bank, the publication of a National Infrastructure Strategy, the commitment to publish an updated infrastructure pipeline, and a £4 billion fund for local improvements. In the coming years, investing in rail will be vital and, as outlined in our recently published '10 reasons to invest' report, we should be confident that following the Coronavirus pandemic, passenger and freight numbers will return to the network.

"We look forward to seeing the National Infrastructure Commission's Integrated Rail Plan on HS2, Northern Powerhouse Rail, Trans Pennine Route Upgrade and Midlands Rail Hub, and the outcomes of the Williams Review into the structure of the industry. In this time of such uncertainty, clarity and visibility from Government is essential, so publishing these plans and updates on key projects will ensure the rail industry is able to prepare and deliver, ultimately supporting the 'Build Back Better' agenda and the economic growth and investment the UK needs right now.

"However, the Railway Industry Association and its members will be concerned today that the Spending Review didn't provide an update on specific rail schemes, particularly those in the Rail Network Enhancements Pipeline. We have been campaigning for Government to 'Speed Up Rail Enhancements' as part of our SURE initiative, but we have now been waiting over a year to hear news about what enhancements projects are going to be taken forward and when. Despite supposedly around 80 schemes on this list, we are still no nearer knowing which ones are to be progressed. We urge the Government to publish its update on the RNEP as soon as possible."

The Chancellor also announced:

- Nearly £3 billion to deliver a new, three-year Restart Programme to help over a million people who've been unemployed for over a year, find new work.
- Increase the National Living Wage by 2.2 per cent to £8.91 an hour; to extend this rate to those aged 23 and older; and to increase the National Minimum Wage rates as well.

Responding to the Chancellor's Spending Review, Robert Nisbet, Director of Nations and Region at the Rail Delivery Group, representing train operators, said: "Given the crucial role the railways will play in the economic recovery next year, continued investment to keep services running is crucial so the network is ready when passengers return.

"Equally vital is funding to deliver the improvements that will improve journeys for passengers and support economic regrowth in communities across the country."

Sir John Armitt, Chair of the National Infrastructure Commission, said: "Publication of the UK's first ever National Infrastructure Strategy is an important moment, given the vital role infrastructure can play in supporting economic recovery and growth across the whole of UK, as well as tackling climate change. We are pleased to see the government's strategy responds closely to our own independent assessment of the country's infrastructure needs and how to address them.

"We are particularly pleased that government has accepted the Commission's proposal for an infrastructure investment bank, to help catalyse private investment.

“Alongside announcements in the Spending Review, the Strategy represents a solid down payment on a long term fiscal commitment to infrastructure.

“As government acknowledges, there are currently some missing pieces of the jigsaw when it comes to energy policy. The 10 point plan set out by the Prime Minister last week set out serious commitments in areas such as wind power, decarbonising heating, developing hydrogen and carbon capture and storage. We look forward to seeing detail on the delivery plans for achieving these targets in forthcoming announcements.

“We welcome reform of the Treasury’s Green Book to assess investments against policy objectives. The proposed focus on investment in local infrastructure is welcome, as are intra-city budgets for mayors. However, to achieve the aim of levelling up, more long term funding and control for cities is necessary to bring transformational urban public transport projects to places outside London.

“The Commission will monitor government’s progress on delivery and very much hope this strategy marks the beginning of a renewed focus on long term infrastructure policy around which industry and investors can plan with confidence.”

Barry White, Chief Executive of Transport for the North, said: “The Government pledged an infrastructure revolution, and it’s really promising to see some progress on that coming to fruition over the next year. Commitments to creating a UK Infrastructure Bank to be headquartered in the North; spending on rail upgrades and major roads; as well as confirmation of an electric vehicle cash injection, all signal progress in helping build back better and greener. That’s alongside an increase in departmental and capital spending.

“The £4bn Levelling Up Fund is encouraging – Transport for the North has already put forward many shovel-ready transport projects that could be fast-tracked to create jobs in the short-term and economic growth in the long-term. However, how those projects are appraised and decided will be crucial. We need to avoid a situation where communities are stuck in a bidding cycle of competition for investment, with decisions still being made by Whitehall rather than locally.

“Today’s National Infrastructure Strategy chimes entirely with our priorities for the North – closing the economic divide; fast-tracking delivery of strategic projects; and slashing carbon emissions as quickly as possible. The projects outlined are a good start, but there’s a lot of detail on rail in the North still to come with the forthcoming Integrated Rail Plan, which we await with interest.”

[Click here to read the National Infrastructure Strategy.](#)

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