

Response: Chancellor discusses economic potential of NPR

April 26, 2019



Speaking at the Treasury Committee, Chancellor Philip Hammond indicated his support for Northern Powerhouse Rail (NPR). He said that improving productivity “must be the laser focused relentless task of the economic departments in government ... as we move on from Brexit”.

Following a series of questions on the priorities for infrastructure investment in the next Spending Review, the Chancellor said: “the priority will be to focus on high potential areas” and investment that would deliver a return in productivity. He went on to highlight the NPR programme, saying: “For example the Northern Powerhouse concept and the Northern Powerhouse Rail project is focused on trying to deliver agglomeration effects by creating a single economic geography to create an area of economic activity which can rival centres like London. It is initiatives like that, that have a clear economic rationale, where we can point to the economic drivers that we expect to deliver the benefits of the investment. Those benefits will be measured in terms of productivity improvement.”

Barry White, Chief Executive at Transport for the North, welcomed the Chancellor’s comments: “We know that Northern Powerhouse Rail is an opportunity not only to transform the way people travel across the North, but to unleash our economic potential.

“It is extremely encouraging to hear Philip Hammond reference the programme in the context of infrastructure investment priorities that will deliver productivity returns, not just for the North, but for the whole of the UK.

“There is a clear economic case for investment in a pipeline of Northern infrastructure. We must now ensure that, through the upcoming Spending Review, the North gets the investment it needs and deserves.”

Watch the Treasury Select Committee hearing [here](#).