

Infrastructure delivery update

1.1 The Government will take an active role in ensuring the infrastructure identified in the National Infrastructure Plan 2011 is delivered efficiently and on time, with priority given to those projects most critical for economic growth. Leadership in this work is provided by a Cabinet Committee on infrastructure, chaired by the Chief Secretary to the Treasury and with members including the Secretaries of State responsible for economic infrastructure and the Commercial Secretary to the Treasury.

1.2 This update sets out progress that has been made on the priority infrastructure investments identified in the National Infrastructure Plan 2011 and progress on other infrastructure measures in the Autumn Statement 2011.

Priority infrastructure investments

1.3 The 2011 National Infrastructure Plan announced that the Government had identified 40 priority infrastructure projects and programmes. Progress against each of these is set out in Annex A. The Government:

- **A14:** has identified a shortlist of options to increase capacity and improve performance on the A14 between Huntingdon and Cambridge, some of which could be part-funded through tolling. These include widening some sections, rationalising access to the route, and improving the route of the southern bypass for Huntingdon. In addition, the Government is considering measures to shift more freight from road to rail and to enhance public transport. The preferred package will be finalised by July 2012;
- **High Speed Two:** announced in January 2012 its decision to proceed with High Speed Two;
- **Northern Hub:** will support Network Rail to invest a further £130 million in the Northern Hub rail scheme, subject to value for money, to improve the transport links between Manchester and Sheffield, Rochdale, Halifax, Bradford, Bolton, Preston and Blackpool, including increasing capacity on the Hope Valley line between Manchester and Sheffield which will enable the number of fast trains to double. This will build on the previously announced investments to electrify the Transpennine railway route from Manchester to Leeds and build the Ordsall Chord between Manchester Piccadilly and Manchester Victoria stations;
- **Welsh Valley lines:** will continue to work with the Welsh Government to consider electrification of the Welsh Valley lines, subject to value for money and an agreement on financing. A final decision will be announced in summer 2012;
- **local transport projects:** has made significant progress on the £1.7 billion package of investment in local transport projects. Work has already started on the Midland Metro and Rochdale Interchange, and in December 2011 the Government approved a further 21 schemes. The Government can also confirm it will support the Bexhill to Hastings link road to facilitate economic regeneration in a deprived area of the South East; and

- **super-connected cities:** has selected Belfast, Birmingham, Bradford, Bristol, Cardiff, Edinburgh, Leeds, London, Manchester and Newcastle to become super-connected cities, as part of the £100 million investment announced at the Autumn Statement 2011. By 2015 this will deliver ultrafast broadband coverage to 1.7 million households and 200,000 businesses in high growth areas as well as high-speed wireless broadband for 3 million residents. The Government will also provide an additional £50 million to fund a second wave of ten smaller super-connected cities;
- will **extend mobile coverage** to 60,000 rural homes and along at least ten key roads by 2015, including the A2 and A29 in Northern Ireland, the A57, A143, A169, A352, A360 and A591 in England, the A82(T) in Scotland and the A470(T) in Wales, subject to planning permission, using the £150 million investment announced at the Autumn Statement 2011. The Government will also consider whether direct intervention is required to improve mobile coverage for rail passengers; and
- **energy development consents:** has helped 16 energy generation projects all over the country to proceed since the beginning of 2011 by granting development consent. These are expected to support over 4,000 construction jobs and produce over eight gigawatts of electricity, which is enough to power eight million homes.¹ In addition, working with industry the Government has resolved radar interference issues affecting four gigawatts of wind energy developments.

Wider progress on infrastructure

1.4 In addition to the 40 priority infrastructure investments, the Government is also making progress on a wide range of infrastructure issues. The Government:

- **roads:** will take forward many of Alan Cook's recommendations for the roads, including developing a roads strategy and setting a renewed focus on the level of performance expected from the Highways Agency. The Government will also consider whether to go further and will carry out a feasibility study into new ownership and financing models for the national road network, learning lessons from the water industry, to report on progress by Autumn Statement 2012;
- is committed to **tackling congestion, improving connectivity and supporting cycling in and around London:** The Government will explore the case for using the Planning Act 2008 to streamline the planning process for the proposed additional river crossings in East London, for example at Silvertown, which will reduce peak period delays and congestion in the area. The Government is also working with the railway industry, Transport for London (TfL) and the Mayor of London to consider further investments to improve rail journeys into and within London, including longer trains and increased capacity at stations. Further details will be announced in summer 2012. In addition, the Government will grant £15 million to TfL for investments in cycle safety, which will include improved provision for cyclists at junctions across the capital under consideration in TfL's cycle safety junction review;²
- **A1 Elkesley:** has been working with the Highways Agency to complete the administrative processes to make the statutory orders following the approval of planning permission for the scheme. Works are likely to begin towards the end of the forthcoming fiscal year 2012-13 and be completed in 2014-15;

¹ Estimates by the Department of Energy and Climate Change.

² See <http://www.tfl.gov.uk/>

- **Bottlenecks:** will provide additional funding of £220 million for smaller projects which will ease local bottlenecks as announced in Autumn Statement 2011. The Highways Agency is identifying schemes and will be engaging with Local Enterprise Partnerships (LEPs) during this process to ensure best use of these funds in targeting local bottlenecks and pinch points on the network;
- **M4 in South-East Wales:** has engaged with the Welsh Government to support them in developing their proposal and explore how this may be progressed; and
- **Local transport:** will invest an extra £50 million to be distributed to all local transport authorities outside London through the Integrated Transport Block, as announced in Autumn Statement 2011. Individual allocations were issued to local authorities on 14 December 2011 in accordance with the formula for the Integrated Transport block, enabling works to start.

Planning and consenting infrastructure development

1.5 An update on implementation of the Growth Review has been also published alongside the 2012 Budget. This sets out progress on delivering the wide range of planning and consenting reforms the Government is committed to. For infrastructure the Government:

- will remove duplication in the consenting regime for major infrastructure development by bringing forward legislation to adjust the scope of Special Parliamentary Procedure, and the Government will shortly publish draft revised guidance to make the regime clearer and easier to use;
- has implemented major reforms to the key consenting and advisory agencies involved in planning applications to give certainty to developers, including ensuring they adhere to a 13-week maximum timescale for most non-planning consents and improve their performance in dealing with planning applications; and
- has helped make progress on habitats issues that were holding up development for Chiltern Railways and Able Marine Energy Park so that final decisions can be taken within a year. The Government has also completed a review of the implementation in England of the Habitats and Wild Birds Directive, to be published on 22 March. Following this review, the Government will reduce unnecessary cost and delay to developers by setting up a Major Infrastructure and Environment Unit, streamlining guidance, setting clearer standards for evidence and by changing the culture of statutory bodies.

Infrastructure finance

1.6 The Government has supported the establishment of a new Pension Infrastructure Platform owned and run by UK pension funds, which will make the first wave of its initial £2 billion investment in UK infrastructure by early 2013. A separate group of pension fund investors has also presented proposals to the Treasury for increasing pension plan investment in infrastructure in the construction phase.

Annex A: Priority infrastructure investments

Project / Programme	Progress and future milestones
Highways Agency programme in construction – pre-2010 Spending Review	<ul style="list-style-type: none"> On track to complete work on M25 J16-23 and 27-30 ahead of the Olympics.
Highways Agency managed motorways programme – Spending Review projects	<ul style="list-style-type: none"> Two managed motorway schemes started construction in Financial Year 2011/12 (M62 J25-30 and M4 J19-20/M5 J15-17). The Highways Agency expects to start construction of the other managed motorway schemes as follows (subject to the outcome of any statutory processes): <ul style="list-style-type: none"> M6 J5-8 in the first quarter of FY 2012/13; M1 J32-35a in the fourth quarter of FY 2012/13; FY 2013/14: M1 J28-31, M25 J5-6/7, M25 J23-27 (accelerated in the Autumn Statement); FY 2014/15: M1 J39-42 (accelerated in the Autumn Statement), M60 J8-12, M60 J15-12, M62 J18-20.
Highways Agency trunk road improvements programme – 2010 Spending Review projects	<ul style="list-style-type: none"> The A23 Handcross to Warninglid trunk road improvement scheme started on site as planned in 2011/12. The Highways Agency expects to start construction of the other trunk road schemes as follows (subject to the outcome of statutory processes): <ul style="list-style-type: none"> A11 Fiveways to Thetford dualling scheme in the fourth quarter of FY 2012/13; A556 Knutsford to Bowdon improvement in FY 2014/15.
Highways Agency – Autumn Statement package	<ul style="list-style-type: none"> The Highways Agency expects to start construction of the schemes as follows (subject to the outcome of statutory processes): <ul style="list-style-type: none"> A453 widening scheme in the fourth quarter of FY 2012/13; FY 2013/14: M25 J23-27 managed motorway scheme, M1 J19/M6 improvement scheme, A14 Kettering Bypass widening scheme, A45/A46 Tollbar End improvement scheme, M3 J2-4a managed motorway scheme; FY 2014/15: M1 J39-42 managed motorway scheme, M6 J10a-13 managed motorway scheme.

Project / Programme	Progress and future milestones
Alternative approaches to resolving issues along the A14 corridor	<ul style="list-style-type: none"> • Scoping of the issues that long term solutions for the A14 must address. • Input received into the development of options via the A14 Challenge. • Initial assessment of the options across the modes, and potential funding and financing mechanisms. • Shortlist of options identified to increase capacity and improve performance on the A14 between Huntingdon and Cambridge, some of which could be part-funded through tolling. • These include widening some sections, rationalising access to the route, and improving the route of the southern bypass for Huntingdon. • In addition, the Government is considering measures to shift more freight from road to rail and to enhance public transport. • The preferred package will be finalised by July 2012.
New Lower Thames crossing	<ul style="list-style-type: none"> • The Government has appointed consultants to analyse the options and is also drawing on local knowledge to assist in refreshing the evidence base and preparing for public consultation in 2013.
Mersey Gateway Bridge	<ul style="list-style-type: none"> • Draft regulations to enable open road tolling issued by DfT. • Prequalification procurement process complete February 2012 and proceeding with three shortlisted consortia.
Local transport projects – funded at or before 2010 Spending Review	<ul style="list-style-type: none"> • Heysham to M6 link road now with the Infrastructure Planning Commission. • Advanced works started on Midland Metro, proceeding to conclude procurement for line extension. • The Tyne and Wear metro renewal programme continues to be successfully delivered and is on time and on budget.
Local authority major transport schemes – development pool projects	<ul style="list-style-type: none"> • Further 21 projects confirmed in December 2011. • Four more projects with updated information by end March 2012 and decisions by end May 2012. • Advance works have already started on Rochdale interchange.
Crossrail	<ul style="list-style-type: none"> • Tunnelling work has now commenced from Royal Oak Portal (West London). • Rolling stock and depot tender issued.
Thameslink	<ul style="list-style-type: none"> • First 12 carriage trains now operating. • Blackfriars underground re-opened and new station entrance on South Bank. • Planning consent granted for London Bridge redevelopment.

Project / Programme	Progress and future milestones
Rail infrastructure and rolling stock enhancement	<ul style="list-style-type: none"> • Ongoing Network Rail investment programme on wider network and investment in rolling stock progressing. • The Government will continue to work with the Welsh Government to consider electrification of the Welsh Valley lines, subject to value for money and an agreement on financing. A final decision will be announced in summer 2012 as part of the five year investment plan for the railway. • Following DfT consultation in January 2012 on “minded approval” for Chiltern Railways Oxford-Bicester Improvements scheme, the inquiry must be reopened (in May) to examine new evidence submitted since original inquiry closed. • Rail link between Oxford and Bedford: Local authorities are currently determining the amount they can contribute to the capital cost of the proposed scheme. Meanwhile, Network Rail is developing the strategic business case. • Tackling local problems on the rail network more quickly: Network Rail is making good progress allocating money to particular schemes, with over £50 million allocated to date, subject to completion of business cases. Schemes include a £150,000 scheme to improve the line-speeds at Conisborough tunnel in South Yorkshire, create savings on fuel consumption and brake wear, with both cost and environmental benefits. • Improving the railway network – enhancing access to stations: Successful bidders for the £37.5 million Access for All “mid-tier” funding were notified in December and projects can now begin design and procurement to allow delivery before March 2014. Allocations of the £7 million Access for All Small Schemes budget for 2012-13 will be made to train operating companies before 1 April. • Improving the railway network – bridge renewals and improving resilience: Network Rail has identified the majority of sites for bridge renewal and other civils investment and remain on track to begin works in the summer. Winter resilience measures are planned for towards the end of 2012. • Extending flexible smart ticketing across London and the South East: Good progress is being made with Train companies and TfL on agreeing outline principles of engagement, on programme scope and probable early adoptions.

Project / Programme	Progress and future milestones
Rail infrastructure and rolling stock enhancement (continued)	<ul style="list-style-type: none"> • Southern rail franchise – 130 new carriages: As announced on the 28 December 2011, following a procurement exercise, Southern has signed a contract with Bombardier for the new carriages to be delivered by December 2013. The Department for Transport and Southern have agreed to vary the franchise agreement to support this procurement.
East Coast Main Line	<ul style="list-style-type: none"> • Ongoing programme of work including Hitchin flyover and North Doncaster Chord. • Network Rail developing strategic business case and will provide by April.
Great Western Electrification	<ul style="list-style-type: none"> • Network Rail progressing with planning for electrification.
Kings Cross Station improvements	<ul style="list-style-type: none"> • Final planning consent for Southern Square given by London Borough of Camden in January 2012. • New western concourse opened March 2012.
Reading upgrade programme	<ul style="list-style-type: none"> • First phase of Cow Lane widening completed in January 2012 including bridge replacement work. • New passenger concourse under construction ready for staged completion in 2012 and final installation at Easter 2013.
High Speed Two	<ul style="list-style-type: none"> • Government announced outcome of consultation and decision to proceed in January 2012. • Contract for development partner awarded in January 2012. • On course to finalise London-West Midlands hybrid Bill in 2013 and with plans for the lines to Leeds, Manchester and Heathrow.
Northern rail connectivity (Liverpool-Newcastle including Northern Hub)	<ul style="list-style-type: none"> • The Government will support Network Rail to invest a further £130 million in the Northern Hub rail scheme, subject to value for money, to improve the transport links between Manchester and Sheffield, Rochdale, Halifax, Bradford, Bolton, Preston and Blackpool, including increasing capacity on the Hope Valley line between Manchester and Sheffield which will enable the number of fast trains to double. • This will build on the previously announced investments to electrify the Transpennine railway route from Manchester to Leeds and build the Ordsall Chord between Manchester Piccadilly and Manchester Victoria stations. • Transpennine electrification from Manchester to Leeds: Network Rail is undertaking the design works necessary to allow delivery synergy with the authorised North West Scheme.

Project / Programme	Progress and future milestones
Intercity Express Programme	<ul style="list-style-type: none"> The banks that will lend to the Intercity Express Programme are now progressing through their final approvals processes. This is part of the remaining work needed to finalise the deal for the new trains. Planning permissions for depot alterations at North Pole (in west London), and for new depots at Stoke-Gifford (near Bristol), Swansea and Doncaster have now all been approved. The Department hopes to reach financial close for the Great Western phase of the deal in spring 2012. Financial close for the East Coast phase of the IEP is scheduled for 2013.
London Underground investment programme	<ul style="list-style-type: none"> On track to deliver planned upgrades ahead of Olympics.
Northern Line Extension to Battersea	<ul style="list-style-type: none"> Battersea Power Station site now being offered on market for development.
Gatwick capital investment programme	<ul style="list-style-type: none"> Investment programme ongoing.
Heathrow capital investment programme	<ul style="list-style-type: none"> Investment programme ongoing.
Ports – container terminal projects	<ul style="list-style-type: none"> Felixstowe South: first phase open. London Gateway: phase 1 on track to complete by end 2013. HA are awaiting proposals from DPW to enable agreement to be concluded on Phase 2 highways obligations by end-March.
Ports – renewable energy projects	<ul style="list-style-type: none"> Planning applications submitted for proposed manufacturing projects at port sites for Siemens (Hull) and Vestas (Sheerness).
Growing Places Fund	<ul style="list-style-type: none"> On track – all LEPs have now received funding and are allocating to projects.
Regional Growth Fund (RGF)	<ul style="list-style-type: none"> On track – RGF round 3 launched 23 February. 231 projects allocated funding from rounds 1 and 2.
Electricity generation – new nuclear investment	<ul style="list-style-type: none"> Hinkley Point C site preparation contract signed. IPC formal consideration to start following preliminary meeting on 21 March.
Carbon Capture and Storage investment	<ul style="list-style-type: none"> DECC will be launching the CCS competition in the coming weeks. The focus will be on reducing costs so that CCS equipped fossil fuel power stations can be cost-competitive with other low carbon electricity generating technologies.
Electricity generation – gas investment (CCGT)	<ul style="list-style-type: none"> Five CCGT consents totalling 6670MW were granted in 2011. The Government will publish a strategy for gas generation in autumn 2012.

Project / Programme	Progress and future milestones
Electricity generation – biomass investment	<ul style="list-style-type: none"> • Development consent approved for Pollington Generating Station (53MW) and Royal Portbury Dock (150MW).
Electricity generation – wind energy investment	<ul style="list-style-type: none"> • Development consent approved for 20 schemes (533MW). • Significant progress with military radar interference with purchase of air defence radar at Brizlee Wood and Staxton Wold unlocking 750MW of wind energy. MOD is scoping work to agree a joint plan with industry on remaining military radar issues, hope to agree a programme of work in first half of 2012. • DECC working with NATS and the wind industry to take forward projects to mitigate interference with civilian radar, and will facilitate discussions with UK Green Investments. The findings of the R&D into technical solutions commissioned from Raytheon will be published shortly.
Electricity and gas transmission and distribution investment	<ul style="list-style-type: none"> • Ofgem consulting on fast-tracked price control process for Scottish Power and Scottish Hydro Electric Ltd and set out initial proposals for each company in February 2012. Expected to announce decision in April 2012. • National Grid submitted updated Business Plans for transmission in March 2012. Ofgem consulting on these and expects to publish initial proposals in July 2012. • Ofgem announced in January 2012 further £73 million of funding for transmission network in 2012-13. • Ofgem confirmed, following consultation, in February 2012 its 'minded to' position to fund a £1 billion 2GW subsea electricity transmission link from Scotland to North Wales. • Ofgem published consultation in February 2012 on approach to electricity distribution price control (2015-23).
Smart meters	<ul style="list-style-type: none"> • In 2012 obligations will be placed on energy suppliers to complete the rollout of smart meters by 2019. • Data and Communications Company licence award and service provider contracts award by Q2 2013.
4G mobile auction and rollout	<ul style="list-style-type: none"> • Second Ofcom consultation issued, closing 22 March 2012.

Project / Programme	Progress and future milestones
Rural mobile coverage	<ul style="list-style-type: none"> • The Government will extend mobile coverage to 60,000 rural homes and along at least ten key roads by 2015, including the A2 and A29 in Northern Ireland, the A57, A143, A169, A352, A360 and A591 in England, the A82(T) in Scotland and the A470(T) in Wales, subject to planning permission, using the £150 million investment announced at the Autumn Statement 2011. • The Government will also consider whether direct intervention is required to improve mobile coverage for rail passengers.
Fixed broadband investment – private and public	<ul style="list-style-type: none"> • Rural broadband investment on track with Broadband Delivery Framework procurement and Local Broadband Plans due to be finalised by end April 2012. • The Government has secured an additional £100m of funding for broadband investment from the ERDF. The Government has successfully pushed the European Commission for greater flexibility on the way ERDF funds broadband. Guidance on ERDF funding for broadband has been issued.
Urban broadband fund - Super connected cities	<ul style="list-style-type: none"> • Belfast, Birmingham, Bradford, Bristol, Cardiff, Edinburgh, Leeds, London, Manchester and Newcastle have been selected to become super-connected cities, as part of the £100 million investment announced at the Autumn Statement 2011. By 2015 this will deliver ultrafast broadband coverage to 1.7 million households and 200,000 businesses in high growth areas as well as high-speed wireless broadband for 3 million residents. • The Government will also provide an additional £50 million to fund a second wave of ten smaller super-connected cities.
Thames Tunnel	<ul style="list-style-type: none"> • Water Industry (Financial Assistance) Bill introduced to Parliament, February 2012. • Waste Water National Policy Statement laid before Parliament, February 2012. • Section 14 Order enabling the tunnel to be considered as one application by the Planning Inspectorate laid before Parliament. • Thames Water completed second phase of their public consultation, February 2012. • Safeguarding Directions for construction sites issued on 28 February 2012.

Project / Programme	Progress and future milestones
Flood and coastal erosion risk management programme (including Thames Estuary 2100)	<ul style="list-style-type: none"> • In addition to the continuing construction of over 80 flood and coastal erosion risk management capital projects, a total of 60 new flood defence schemes will begin construction in 2012/13. When complete the new schemes will protect over 25,000 more homes. • Pre-qualification questionnaire contract notice for the procurement of the next generation Water and Environment Framework suppliers issued in the Official Journal of the European Union in December 2011.