

Infrastructure delivery update

Introduction

1.1 Infrastructure is vital to the success of any modern economy; it drives growth, creates jobs and generates the networks that allow businesses and organisations to thrive. Investing in and improving this country's infrastructure in order to make the UK globally competitive is a key part of the Government's economic strategy.

1.2 That is why this Government is:

- announcing a range of measures at Budget 2013, including increasing its capital spending plans by £3 billion per annum from 2015-16. This will mean £18 billion additional investment by the end of the next Parliament;
- investing more in transport infrastructure in this Parliament than in the last and making public investment as a share of GDP higher on average over this Parliament than spending under the previous Government;
- supporting the £9.4 billion High Level Output Specification (HLOS) – the largest programme of investment in the railways since Victorian times;
- providing UK Guarantees for major infrastructure projects such as the Northern Line Extension to Battersea which will support the redevelopment of an area of central London on a similar scale to the Olympic Park and Drax Power, who have been offered a Guarantee worth up to £75 million for the partial conversion of their power station from coal to biomass;
- investing £5.5 billion as part of a capital package unveiled at Autumn Statement 2012 to boost crucial investment in roads, schools and housing;
- progressing work on the Top 40 priority investments, including completing a programme of eight Highways Agency projects and the King's Cross Station improvements later this year;
- supporting the £14 billion Crossrail project, which has completed over two miles of tunnelling since Autumn Statement 2012, as part of one of the most significant infrastructure projects ever undertaken in the UK; and
- improving the road network, through a series of significant expansions and initiatives to reduce the time it takes to get roads worth over £3 billion built.

1.3 To help ensure that the UK gets the critical infrastructure it needs, not just for now, but for the future, the Government identified 40 priority investments from the public and private sector as part of the National Infrastructure Plan 2011. This update sets out the progress that has been made on these priority infrastructure investments.

Investment progress update case study: Crossrail

Crossrail is one of the largest infrastructure projects ever carried out in the UK, and is Europe's current largest construction project, worth over £14 billion.

When Crossrail opens in 2018 it will increase London's rail-based transport network capacity by almost 10 per cent, improve journey times across the city centre, and deliver estimated benefits of £42 billion to the UK economy. An estimated 200 million people will use Crossrail each year.

Construction began on the project on 15 May 2009 and already over three miles of tunnel have been excavated, with around 31 miles planned in total. The project is now moving into its peak tunnelling period with five tunnel boring machines working from sites at Royal Oak, Limmo and Plumstead. Construction work is also underway on a new tunnel portal at Victoria Dock which will help create a key half mile tunnelled section of the new Crossrail route in east London.

Network Rail has now commenced work across the surface section of Crossrail, including the demolition of various bridges on the Great Western route, construction of the Stockley viaduct and works are already in progress at all Crossrail central London stations. The project will connect 37 stations in all, including nine new ones.

A focus on delivery

1.4 To drive forward the delivery of critical infrastructure the Government has appointed a new Commercial Secretary, Lord Deighton. He will bring his Olympic expertise to bear, overseeing delivery and investment for UK infrastructure.

1.5 Following Lord Deighton's assessment of Whitehall's ability to deliver infrastructure, which was announced at Autumn Statement 2012 and undertaken with Infrastructure UK (IUK) and the Major Projects Authority, the Government will implement a series of reforms to effect a step change in its approach to infrastructure delivery. Using the experience of delivering the Olympic and Paralympic Games and drawing on private sector best practice, these reforms include creating an enhanced central cadre of commercial specialists in IUK who will be deployed into infrastructure projects across Government, and the establishment by the summer of tough new Infrastructure Capacity Plans to drive forward progress in key Government Departments. These reforms will be undertaken in conjunction with Cabinet Office led efforts to strengthen Whitehall's commercial capability and Lord Browne's work to improve the Government's management of major projects including through an enhance Major Projects Authority.

1.6 To build on this progress over the coming months:

- the Cabinet sub Committee on Infrastructure, chaired by the Chief Secretary to the Treasury, will continue to drive forward delivery of the Top 40 priority projects; and
- the Chief Secretary to the Treasury will continue to convene and co-chair meetings of the National Infrastructure Plan Strategic Engagement Forum (NIPSEF). This Forum brings together all strands of infrastructure delivery including financial and advisory, the supply chain, the owners of infrastructure assets and representatives of infrastructure users to provide a medium by which Government and industry can work together to push forward the National Infrastructure Plan.

Budget 2013 announcements

1.7 The Government has announced a range of measures to support infrastructure at Budget 2013:

- increasing capital spending plans by £3 billion a year from 2015-16, funded through permanent reductions in current spending. This will mean £18 billion additional capital spending over the next Parliament. Together with the additions to infrastructure spending announced at Spending Review 2010, Autumn Statement 2011, and Autumn Statement 2012, this means that public investment (PSGI) as a share of GDP will be higher on average over this parliament and the next parliament than under the previous Government. The Government will set out how this capital spending will be allocated at the 2015-16 Spending Round. The Spending Round will set out long-term spending plans for the capital budget;
- Drax Power has been offered a Guarantee worth up to £75 million to help raise finance for the partial conversion of their power station from coal to biomass. Drax is a key contributor to the UK's power – producing electricity to meet 7 per cent of the UK's demand;
- the Government will consider options for making more use of independent expertise in further developing its infrastructure strategy, ensuring that investors have the confidence to make long-term decisions on infrastructure;
- the Government will reform its approach to infrastructure delivery, including creating an enhanced central cadre of commercial specialists in Infrastructure UK who will be deployed into infrastructure projects across government, and by summer 2013 establishing new Infrastructure Capacity Plans for key government departments, and the Government will look to introduce further financial incentives to ensure more efficient use and management of public sector spectrum holdings to meet the Government's commitment to release 500MHz of spectrum by 2020.

1.8 The Government is also streamlining planning and regulation to reduce delay in bringing forward infrastructure projects through the measures below. The Government:

- will launch a second phase of the Red Tape Challenge. Alongside implementing the Red Tape Challenge and Focus on Enforcement reforms, this second phase will look at the whole regulatory system – including laws, guidance, compliance, and enforcement, through short targeted reviews. The reviews will look at areas such as infrastructure, key stages in the growth of companies, and business activities where negotiating the system is overly complex. The Government will seek views from business on what specific problems should be reviewed before the launch in the summer of 2013;
- has asked the economic regulators to develop a coordinated and streamlined approach to charging and conditions on new infrastructure where it crosses existing infrastructure. The economic regulators have agreed to this. A coordinated approach has the potential to simplify the UK's infrastructure landscape for investors, making the UK more welcoming to new investment and building on our world class infrastructure regulatory environment;
- believes judicial reviews have created unacceptable delays to the development of crucial infrastructure and housing projects. The Ministry of Justice has already consulted on shortening the time limits for bringing a planning judicial review and will set out its plans in this area in the spring. The Government will also develop

further measures to streamline the process for planning judicial reviews by the summer; and

- will produce technical planning guidance on shale gas by July 2013 to provide clarity around planning for shale gas during the important exploration phase for the industry. As the shale gas industry develops we will ensure an effective planning system is in place and by the end of the year will produce guidance for the industry to ensure the planning system is properly aligned with the licensing regime and regulatory regimes principally; health and safety; and environmental protection. We will keep under review whether the largest shale gas projects should have the option to apply to the major infrastructure regime.

1.9 The Government will give certainty to energy investors through the following measures:

- Carbon Price Floor – The CPF will come into effect on 1 April, providing long-term certainty over the price of carbon for investors in low-carbon technology and infrastructure; and
- decommissioning certainty – At Budget 2012, the Government committed to introducing a new contractual approach to provide further certainty on decommissioning relief on the UK Continental Shelf. Following successful consultation, Budget 2013 announces that contracts will be signed later this year, providing the certainty needed to unlock billions of pounds of additional investment.

1.10 The Government has also announced a number of measures to tackle long-term problems in the UK housing market.

Investment progress update case study: Heathrow Terminal 2

Terminal 2 is the UK's largest privately funded construction project and it is expected that as many as 35,000 people will work on the project over its lifetime. It is planned to open in 2014 and the terminal is expected to receive 20 million passengers a year.

Terminal 2B has been under construction since 2008, and the first phase of the building was completed in 2009. In February 2012, the project passed a significant construction milestone with the end of major structural work at the £2.5 billion terminal, following the demolition of the previous Terminal 2.

At the start of 2013 Terminal 2A was declared weather tight, with systems installation due to begin in spring 2013.

The project is part of a five-year, £4.8 billion transformation of Heathrow which originally began after the opening of Terminal 5 in 2008.

Infrastructure finance

1.11 The UK faces a challenge in attracting the investment it needs in infrastructure. A large proportion of Top 40 investment is expected to be met through private finance. To help meet this financing gap the Government is:

- providing guarantees for infrastructure projects through the UK Guarantees Scheme, which could provide up to £40 billion in guarantees to ensure that priority projects in the infrastructure pipeline can raise the finance they need despite challenging credit market conditions. There has been good uptake on the scheme with over 100 enquiries received so far, and the Government has already

announced that a UK Guarantee will be provided to the Greater London Authority to support borrowing of £1 billion to finance the Northern Line Extension to Battersea. The Government has also recently approved a Guarantee worth up to £75 million which will help Drax raise finance for the partial conversion of a coal-fired power station to biomass;

- supporting pension fund investment in infrastructure. The Government, the National Association of Pension Funds (NAPF) and Pension Protection Fund (PPF) signed a memorandum of understanding to create the Pension Investment Platform (PIP). There are now 10 Founding investors, who have committed £1 billion in total capital allocations to the platform when it becomes operational. NAPF expects the PIP to be in a position to begin investing later this year. (The Government has no direct role in the PIP);
- working with the Insurers' Infrastructure Investment Forum to provide members of the Association of British Insurers (ABI) with a clear line of communication with Government's infrastructure teams. This initiative has been providing helpful input into the policy development of UK Guarantees and PF2 and IUK continue to explore longer term private sector solutions to these issues; and
- continuing to encourage and generate inward investment through the UK Trade & Investment's Strategic Relations Team initiatives with overseas institutional investors. Chinese sovereign wealth funds continue to make sizeable strategic investments in the UK, including the China Investment Corporation in Thames Water and Heathrow Airport and the State Administration of Foreign Exchange in Veolia Water UK. Interest from the Middle East in investing in UK infrastructure remains strong. Most recently, it was announced in February that Sutton and East Surrey Water Group has been sold to the Sumitomo Corporation in Tokyo, for around £160 million. The company supplies water to more than 655,000 people in Surrey, Sussex, Kent and London.

UK Guarantees Scheme

The UKGS is a highly flexible mechanism, and in addition the UK guarantees already offered, examples of projects which could be offered a Guarantee include:

- 1 a 25 year guarantee of 100 per cent of the debt for a £40 million university accommodation project to help source long-dated institutional debt;
- 2 guaranteeing the debt for a project-financed structured transaction for a gas storage facility;
- 3 guaranteeing the European Investment Bank lending to a UK company developing infrastructure in order to help the EIB bring more capacity to the UK; and
- 4 a 12 year guarantee for 100 per cent of the debt finance for to help a port upgrade its existing infrastructure to support the supply of new customer demand.

Progress on delivering the Top 40 priority projects

1.12 The 2011 National Infrastructure Plan identified 40 priority infrastructure projects and programmes that were of national significance and crucial for growth. Detailed progress against each of these projects and programmes is set out in Annex A.

1.13 Highlights on progress include:

- closing the dialogue phase of procurement for the **Mersey Gateway Bridge** – with construction on track to begin in late 2013/early 2014;
- the submission of a Development Consent Order application for the **Thames Tideway Tunnel** – the deepest and longest tunnel ever constructed in the capital at 15 miles long;
- a procurement decision on **Crossrail** rolling stock that will mean new trains for the scheme are to be fully funded by the Government so that the £14.8 billion project is not delayed and services can be rolled out on time; and
- the successful completion of the **4G spectrum auction**, enabling further roll out of 4G mobile services throughout the U.K, keeping the country at the forefront of mobile digital technology.

1.14 In addition, the following Top 40 programmes are due to complete in 2013:

- the **Highways Agency programme in construction** (pre-2010 Spending Review), including the M25 J16-23, M25 J27-30, A46 Newark to Widmerpool and the M1 J10-13; and
- the **King's Cross Station improvements**, updating one of the country's most iconic railway stations, worth over £500 million.

Box 1.A: Investment progress update case study: London Gateway

London Gateway will be the UK's first 21st Century major deep-sea container port and will include Europe's largest logistics park. Construction began on the project in February 2010 with a £400 million dredging and reclamation programme on a 1,500 acre disused brownfield site, that includes 2.7 kilometre-long of River Thames frontage.

Three giant cranes, each measuring 138m in height, arrived at the port in early March 2013 and can each lift up to 80 tonnes. They will operate on a new quay wall which is 2.7km in length with foundations that are 50m deep.

London Gateway will have six berths and the capability to handle Ultra Large Container Ships, adding an additional 3.5million TEU to the nation's port capacity.

It is the most significant UK port development for 20 years and will create over 12,000 new jobs and add some £3.2 billion to the UK economy each year.

Priority infrastructure investment delivery summary

Project/Programme	Progress and future milestones
Highways Agency programme in construction – pre-2010 Spending Review	<ul style="list-style-type: none">• Seven of the eight schemes which were in construction at Spending Review were complete as of March 2012.• The eighth (M1 J10 – 13) remains on track to be completed in spring 2013.
Highways Agency managed motorways programme – Spending Review projects	<ul style="list-style-type: none">• Variable mandatory speed limits on the M62 J25-30 will be switched on from April 2013. Works have been successfully completed to install 36 new gantries and refurbish 16 existing gantries.• The M4 J19-20/M5 J15-17 – the new Pegwell Brake footbridge, which spans the M5 between Junction 16 and 17 was completed in February 2013 and is now open to the public.• Construction continues on the M6 J5-J8. Narrow lane running between Junction 5 and Junction 6 was successfully installed during January 2013 and this has provided the necessary safety zones and working room to allow the construction works to install the new verge infrastructure. Installation of the new overhead gantries has commenced with seven installed by the first week in March 2013.• Advance works commenced on the M25 J5-7 managed motorway in spring 2013. Work to replace the existing central reservation barrier with a new concrete central reservation barrier between Junction 5 (Sevenoaks) and Junction 6 (Godstone) are underway.

<p>Highways Agency trunk road improvements programme – 2010 Spending Review projects</p>	<ul style="list-style-type: none"> • The A23 Handcross to Warninglid trunk road improvement scheme has completed the first phase of southbound carriageway temporary widening and work on a roundabout has commenced construction since Autumn Statement 2012. • Construction has started on the A11 Fiveways to Thetford where main works commenced in January 2013.
<p>Highways Agency – Autumn Statement 2011/2012 package</p>	<ul style="list-style-type: none"> • Work on the A453 widening scheme commenced on 7 January 2013. • Advanced work on the A14 Kettering Bypass widening scheme began in March 2013. • Construction started on the M25 J23-27 managed motorway scheme in February 2013.
<p>Alternative approaches to resolving issues along the A14 corridor</p>	<ul style="list-style-type: none"> • Financing options (including local contribution) presently being developed. • Design and impact assessments currently being developed.
<p>New Lower Thames crossing</p>	<ul style="list-style-type: none"> • The Department for Transport is undertaking a review of potential locations for the new crossing. • The review documentation will be compiled for public consultation and is scheduled to be launched in May 2013.
<p>Mersey Gateway Bridge</p>	<ul style="list-style-type: none"> • Halton Borough Council has announced the call for final bids, with the preferred bidder to be announced in June. • Final Approval remains on track for autumn 2013.
<p>Local transport projects – funded at or before Spending Review 2010</p>	<p>A130/A13 Sadlers Farm Junction has now been completed, bringing the total completed schemes to 19, with eight still under construction.</p>
<p>Local authority major transport schemes – development pool projects</p>	<ul style="list-style-type: none"> • A further seven schemes have entered construction since Autumn Statement 2012, bringing the total under construction to 20. • Heysham-M6 Link Road received approval in March to begin later this year. • More schemes to be announced in the next few months.

<p>Crossrail</p>	<ul style="list-style-type: none"> • The scheme is now moving into peak tunnelling period with five tunnel boring machines (TBMs) operational from sites at Royal Oak, Limmo and Plumstead. Together the five TBMs have completed a further two miles of tunnelling since Autumn Statement, bringing the total to more than three miles of tunnels. • All central London section station contracts have been awarded and works are underway. • Woolwich station box has been completed by Berkeley Homes ready to be handed over to Crossrail Limited. • The Rolling Stock and Depot contract has moved to a fully publicly funded procurement. • Network Rail has commenced work across the surface section of Crossrail including the demolition of various bridges on the Great Western route, construction of the Stockley viaduct and work at Acton.
<p>Thameslink</p>	<ul style="list-style-type: none"> • Secretary of State for the Department of Transport announced in January 2013 that the Department has worked closely with Network Rail to make sure the Wimbledon Loop route continues to operate as part of Thameslink's core services. • Main works at London Bridge station due to begin in May 2013.
<p>Rail infrastructure and rolling stock enhancement</p>	<ul style="list-style-type: none"> • Network Rail delivering network investment and enhancements programme during Control Period 4 (2009-14). • Network Rail will begin delivery of Control Period 5 investments in April 2014.
<p>East Coast Main Line</p>	<ul style="list-style-type: none"> • Physical works continue on new platforms, track work, signalling and associated infrastructure for Finsbury Park to Alexandra Palace. Practical completion is due in January 2014. • Hitchin flyover – crossings and signalling installed, rails now laid on the whole line and OLE fitted during March 2013. Practical completion is due in June 2013. • North Doncaster Chord – work on site has now started. Practical completion is due in March 2014.

<p>Rail electrification programme (including Great Western Electrification)</p>	<ul style="list-style-type: none"> • The Department for Transport announced plans worth £704 million to electrify the Great Western Main Line (GWML) between Cardiff, Bristol and Didcot in March 2013. This will give Wales its very first main line electrified railway, cutting 17 minutes from Cardiff to London journeys and 22 minutes from Bristol to London journeys. • In January 2013 Network Rail announced the electrification of London to Swansea trains, including: electrification from the Severn Tunnel to Swansea by December 2018, the start of electrification work on the Cardiff and valleys network – scheduled for completion in early part of 2019 to 2024 period and new platforms at Cardiff Central, Cardiff Queen Street, Caerphilly, Barry, Tiphil and Pontypridd.
<p>Kings Cross Station improvements</p>	<ul style="list-style-type: none"> • Good progress has been made on physical works for the Southern Square project. The old concourse canopies have been removed and work is starting on rebuilding the slab above the London Underground station and alterations to LUL structures. • Temporary passenger access arrangements are working well. • Practical completion is due in October 2013.
<p>Reading upgrade programme</p>	<ul style="list-style-type: none"> • Easter 2013 blockade is on schedule. • New depot due to open summer 2013. • On schedule to complete by 2015, one year ahead of schedule.
<p>High Speed Two</p>	<ul style="list-style-type: none"> • Work is continuing to carry out environmental impact surveys along the line of the route. • The announcement on Phase 2 (north of Birmingham) initial preferred route and station options was made in January 2013, in preparation for formal consultation later in the year. • Consultation on the draft Environmental Impact Assessment is due to launch in spring 2013. • Phase 2 consultation has been brought forward ahead of schedule and is due to be launched in summer 2013. • Deposit of a Paving Bill in Parliament to fast-track the £32 billion project.

<p>Northern rail connectivity (Liverpool-Newcastle including Northern Hub)</p>	<ul style="list-style-type: none"> • Construction work progresses in readiness for start of Manchester to Scotland electric services in December 2013. • Bridge and design works continue on other elements of the investment package – including Ordsall Chord and other phases of North West electrification. • Ordsall Chord on schedule for completion by end 2016.
<p>Intercity Express Programme</p>	<ul style="list-style-type: none"> • In Quarter 1 2013, the first phase of construction work started at North Pole depot in West London, which is set to service the new fleet of IEP trains for the Great Western Main Line. • Hitachi has begun preparing the site for its European train manufacturing and assembly centre at Newton Aycliffe, County Durham, which will create 730 permanent jobs at the plant. Building work is scheduled to begin in Quarter 4 2013 and the plant will be fully operational by 2015. • In Quarter 1 2013 Network Rail handed Hitachi possession of the Stoke Gifford depot site, near Bristol.
<p>London Underground investment programme</p>	<ul style="list-style-type: none"> • The Victoria line upgrade was completed in January 2013 – with a further increase in the number of trains during peak time (up from 30 to 33 train per hour; an additional 10 per cent increase in capacity on top of the 11 per cent introduced in April 2012) – delivering a 21 per cent increase in capacity overall with 10,000 more passengers an hour. • Northern line Upgrade: New signalling went live on first section of line (West Finchley to High Barnet) in February 2013. • Contactless Card Payment was introduced on London buses December 2012.
<p>Northern Line Extension to Battersea</p>	<ul style="list-style-type: none"> • The Chancellor announced at Autumn Statement 2012 that the Government would issue a UK Guarantee to support borrowing by the GLA for this project. • Transport for London expect to submit an application for powers under the Transport and Works Act in April 2013, and good progress is being made on finalising a binding development agreement with the Battersea Power Station site developers, following the heads of terms agreed in December last year.

Gatwick capital investment programme	<ul style="list-style-type: none"> • Already two thirds of the way through the £1.26 billion capital investment programme, which will be complete by March 2014. Still over 200 projects either in progress or planned, and the old Pier 1 will be knocked down in the next few months. A further £1 billion of investment post 2014.
Heathrow capital investment programme	<ul style="list-style-type: none"> • At the start of 2013 Terminal 2A was declared weather tight, with systems installation due to begin later in spring 2013. When completed, the entire project will have a capacity of 30 million passengers a year and will cost £1–1.5bn.
Ports – container terminal projects	<ul style="list-style-type: none"> • First quayside container cranes and port equipment delivered to the London Gateway site in March 2013. • The final marine consent for Southampton dredging has been given and the project is now underway. • Costing £300 million and promising 5,000 new jobs, a brand new in-river container port known as Liverpool 2 to be built by 2015. The facility will add half a million containers (TEUs) annually to the Port of Liverpool, taking its capacity toward two million TEUs.
Ports – renewable energy projects	<ul style="list-style-type: none"> • Planning application approved for proposed manufacturing projects at port sites for Siemens (Hull). • Planning application for new port development at Able under final consideration by the Department for Transport. • £150 million biomass development at the Port of Liverpool for a biomass import, storage and out-loading to rail facility.

Growing Places Fund	<ul style="list-style-type: none"> As of February 2013, Local Enterprise Partnerships reported allocating £560 million (83 per cent) of capital GPF to projects including 31 LEPs who have allocated over 70 per cent. Detailed data collected in December 2012 shows that £382 million of the capital allocation is supporting 206 projects, leveraging £1.7 billion of other public and private investment. 14 LEPs have allocated all of their GPF. Only eight LEPs have allocated less than 70 per cent but all have action in hand to increase allocations quickly and are seeking bids for new projects.
Regional Growth Fund (RGF)	<ul style="list-style-type: none"> The current round 40 closed on 20 March 2013.
Electricity generation – new nuclear investment	<ul style="list-style-type: none"> The Secretary of State for the Department of Energy and Climate Change (DECC) received recommendation from the Planning Inspectorate on EDF’s application for development consent for the Hinkley Point C new nuclear power station in December 2012. A final decision to approve planning permission was made in March 2013.
Carbon Capture and Storage investment	<ul style="list-style-type: none"> The Department of Energy and Climate Change’s (DECC) announced on 20 March 2013 that it would take forward two Preferred Bidders to a detailed planning and design stage. This represents the next step in the £1bn Carbon Capture and Storage Commercialisation Programme.
Electricity generation – gas investment (CCGT)	<ul style="list-style-type: none"> Two CCGT S36 applications (2.15 GW) are currently under consideration. The Gas Generation Strategy was published in December 2012.

Electricity generation – biomass investment

- Drax Power have been offered a Guarantee worth up to £75 million to help raise finance for the partial conversion of their power station from coal to biomass.
- Plans for a new coal to biomass conversion at Ironbridge from 2013. Support has also been secured from the Green Investment Bank for coal to biomass conversion plans at the UK's largest coal power station in Selby.
- Development consent approved in 2012 for Royal Portbury Dock (150 MW).
- DECC will expand biomass deployment through the non-domestic renewable heat incentive: (including specific tariffs for biomass and bioliquid CHP).
- Implementation of the Anaerobic Digestion Strategy and Action Plan will reduce barriers to deployment.
- The Government plans to announce its decisions on revised sustainability criteria under the Renewables Obligation in spring 2013. These will provide the greater certainty needed to secure investment in new generation and drive further emissions reduction through the supply-chain.
- One proposal (100 MW) is currently being processed under the Planning Act 2008 regime – with a decision anticipated in late summer 2013.

Electricity generation – wind energy investment

- East Heckington (66MW)was given planning permission in February 2013. Development consent approved for onshore wind proposals at Pen y Cymoedd (299 MW – gained in May 2012), and offshore wind proposals at approved in July 2012 for Race Bank (580MW) and Dudgeon East (560 MW).
- One Planning Act application (Kentish Flats extension (51MW) has recently been awarded development consent, with a further three applications due for ministerial determination during 2013 (1.8 GW).
- National Air Traffic Services (NATS) is working with The Department of Energy and Climate Change's (DECC) and the wind industry to upgrade NATS' Raytheon radars to mitigate interference from wind turbines.
- Progress has been made by the Ministry of Defence on the Air Traffic Control Radar mitigation project against interference caused by Wind Farms.

Electricity and gas transmission and distribution investment	<ul style="list-style-type: none"> • Electricity Transmission and Gas Transmission and Distribution Price controls, worth up to £37 billion for the period 2013-21, come into effect on 1 April 2013. • Ofgem published its strategy for the next electricity distribution price control (covering the period 2015-23) on 4 March 2013.
Smart meters	<ul style="list-style-type: none"> • Obligations have now been placed on energy suppliers to complete the GB-wide rollout of smart meters by 2019. • Data and Communications Company licence awards and service provider contracts awards are due to be made by mid-2013. • Expected to have a £6.7 billion NPV benefit to UK (out to 2030).
4G mobile auction and rollout	<ul style="list-style-type: none"> • 4G spectrum auction resulted in licences awarded to five companies on 1 March 2013. • Services using this spectrum expected to be launched from early summer 2013.
Rural mobile coverage (Mobile Infrastructure Project)	<ul style="list-style-type: none"> • Intend to appoint contractor in early May and have first sites operational in 2013. • Rolling out rapidly thereafter, with aim of completion by 2015.
Fixed broadband investment – private and public	<ul style="list-style-type: none"> • Commercial roll-out of superfast broadband covering approximately 100,000 additional premises per week. • Approximately 15 local broadband projects representing more than 50 per cent of the total programme budget are now under way. • All project contracts are expected to be in place by end summer 2013.
Urban broadband fund – Super connected cities	<ul style="list-style-type: none"> • Following on from the announcement that ten cities had been selected as part of Wave 1 at the March 2012 budget, a further twelve cities were announced as part of Wave 2 of the programme at the Autumn Statement on 5 December 2012. • The £150 million programme is scheduled to deliver ultrafast broadband coverage to households and businesses in high growth areas as well as high-speed wireless broadband by 2015. • A number of cities are proceeding with procurement whilst Leeds-Bradford has already completed a related wireless service.

Thames Tideway Tunnel

- A Consultation Direction was issued for tunnel routes in December 2012.
- Thames Water submitted a Development Consent Order (DCO) to the Planning Inspectorate in February 2013. This DCO is to be determined by DCLG and DEFRA Secretaries of State in summer 2014.
- Specified Infrastructure Project Regulations will be laid in Parliament in spring 2013.
- The procurement process is expected to start in spring 2013 with final contracts awarded in December 2014.

Flood and coastal erosion risk management programme (including Thames Estuary 2100)

- In addition to the ongoing programme announced in previous years, 93 new flood management schemes will be moving into construction during 2013-14. When completed, these projects will provide better protection for over 64,000 homes.
- Schemes starting in this year's programme include Leeds, Sheffield, Ipswich, Exeter and Derby, which will receive a share of the funding announced in the Autumn Statement to create jobs and unlock economic growth.
- In the last financial year the Environment Agency reported more than £14 million of efficiency saving from its capital procurement programme, which it is reinvesting in projects to protect more people and property. Now expected to better protect 165,000 households by 2015, exceeding the current goal by 20,000. The Environment Agency is on course to meet its 15 per cent efficiency target.

Figure 1.1: Range of projects and programmes from the Top 40 priority investments

-  Energy
-  Railways
-  Flood defence
-  Super-connected cities
-  Ports
-  Airports
-  Roads
-  Water

NORTHERN IRELAND

- Devolved responsibilities include: rail, roads, local transport, water, flood and waste
- Super-connected city: Derry/Londonderry

SCOTLAND

- Devolved responsibilities include: rail, roads, local transport, water, flood and waste
- Super-connected city: Aberdeen
- Super-connected city: Perth
- Super-connected city: Edinburgh
- Onshore wind: Whittle
- Biomass: Rothe
- Scottish Caledonian Sleeper Service

NORTH EAST

- Sunderland Strategic Corridor
- Morpeth Nothern Bypass
- Offshore wind: Teesside

NORTH WEST

- M60 Junction 12-15 Salford, Greater Manchester
- Mersey Gateway Bridge
- High Speed 2 (Manchester)
- Rail: Northern Hub
- Container terminal project: Liverpool Port

YORKSHIRE AND THE HUMBER

- M62 Junction 25-30 Morley, West Yorkshire
- M1 Junction 39-42 Wakefield, West Yorkshire
- North Doncaster Chord
- High Speed 2 (Leeds)
- Renewable energy: Port of Hull
- Super-connected city: York

WEST MIDLANDS

- M6 Junction 5-8 Gravelly Hill, Birmingham
- Birmingham New Street upgrade
- Evesham Bridge
- High Speed 2 (Birmingham)
- Biomass: Ironbridge

EAST MIDLANDS

- M1 Junction 28-31 Chesterfield, Derbyshire
- A14 Kettering Bypass
- Nottingham Tram Extension
- Flood defence: Nottingham

WALES

- Devolved responsibilities include: roads, local transport, water, flood and waste
- Super-connected city: Newport
- Super-connected city: Cardiff
- Nuclear: Wylfa Power Station

EAST OF ENGLAND

- A11 Fiveways to Thetford
- A14 corridor
- Peterborough station enhancements
- Nuclear: Sizewell

SOUTH WEST

- Kingskerswell Bypass
- Intercity Express: Stoke Gifford (Bristol)
- Nuclear: Hinkley Point
- Flood defence: Truro
- A30 (Temple)

SOUTH EAST

- M3 Junction 2-4a Staines, Surrey
- Great Western Electrification
- Reading station upgrade
- Container terminal project: Southampton Port

LONDON

- Thames Tideway Tunnel
- Crossrail
- London Underground upgrade
- Heathrow Investment Programme

