Government announces updated National Investment Plan

On 4 December 2013, the UK Government launched the National Investment Plan 2013 (NIP), an updated version of its infrastructure spending plan, highlighting the Government’s investment priorities up to 2030 and increasing the amount of planned investment to £375bn. It is hoped that this announcement will give a further boost to the UK construction industry as it continues on its way to recovery. Danny Alexander, Chief Secretary to the Treasury, has described the NIP as ‘a blueprint for Britain’ that will lead to ‘long-term sustainable growth’ and ‘will boost the UK economy creating jobs and making it easier to do business’.

Of the 646 projects and programmes included in the NIP, 291 are already under construction. A further 355 are in the pipeline, although whether or not each of those projects will proceed will be determined by the market.

The projects in the NIP include:

- the sale of the Government’s 40% stake in the Eurostar rail service;
- a £1bn guarantee for the extension of the London Underground’s Northern Line to Battersea;
- a £50m redevelopment of the railway station at Gatwick Airport;
- a £30 million contribution to support the construction of a new Garden Bridge across the River Thames in London;
- an investment of over £4bn to enable the Highways Agency to resurface the majority of the national network by 2020-21; and
- a £5m plan to convert public-sector car fleets to electric vehicles.

Underground, overground, on-shore, offshore, wired or wireless, tarmac or train track. You name it, we’re building it right now. This is great news for the people of the UK because after years of neglect, the UK’s energy, road, rail, flood defence, communications and water infrastructure need renewal. It will boost the UK economy creating jobs and making it easier to do business. It will also make the UK a better place to live for everyone who calls it their home.

Danny Alexander, the Chief Treasury Secretary

Key facts:

The UK Government has launched an updated NIP, highlighting their investment priorities up to 2030 and increasing the amount of planned investment to £375bn.

The NIP outlines 646 infrastructure projects and programmes and details 40 priority schemes.

The insurance industry has also unveiled plans to invest £25bn in a range of infrastructure projects.
The NIP includes a list of the Government’s top 40 priority infrastructure investment schemes in England and Wales in the energy, transport, waste, water, flood defence and communications sectors. These schemes include Crossrail, High Speed 2 and Superfast broadband. Details and proposed timescales are provided for each of these schemes and the Treasury hopes that this level of information will help answer much of the criticism of the Government’s progress to date.

The fact that a scheme is on the top 40 priority list will be taken into account when planning applications are decided, although many of the top 40 schemes, such as the Thames Tideway Tunnel, already use the streamlined Nationally Significant Infrastructure Regime or would qualify to do so in any event. The NIP also confirms that the Government will proceed with plans to set up a specialist court which will hear planning-related judicial reviews with the aims of tackling ‘delays to infrastructure delivery’ and reducing ‘the impact of meritless claims’.

At the same time as the launch of the updated NIP, the insurance industry has unveiled plans to invest £25bn in a range of infrastructure projects. The decision by six major insurers (Aviva, L&G, Prudential, Standard Life, Friends Life and Scottish Widows) to invest in infrastructure follows changes in European rules which incentivise investment in a wider range of assets. The £25bn will be invested over the next 5 years, commencing in 2014.

These developments are a further indication that things are “on the up” for the construction, engineering and infrastructure industries. Whilst firms should not rest on their laurels, we may well begin to see increased productivity and investment in the sector going forward.

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