

# Let's think like the Victorians and plan, fund and build the infrastructure we need for the long term

The UK has a great infrastructure tradition. The great 19th century civil engineers thought about what the country would need 50 years ahead and further. So my ambition is to put in place a new Victorian age, where growth and productivity is fuelled by infrastructure investment.

The game-changing infrastructure decisions this country takes are hard to get right. Major projects cost a lot, are fiercely debated and their financing and design often require innovation, which implies risk. And they take a long time: the lifespans of Crossrail (1974–2018) and HS2 (2009–2033) are much longer than the five-year political cycle.

In the past, short-term thinking has led to a stop-start approach, shaking confidence and hampering investment. We need consistent political commitment.

The National Infrastructure Plan is a comprehensive, integrated plan setting out key priorities. It was first published in 2010, has been improved every year since, and includes delivery plans to 2020.

All of the publicly funded elements represent a specific government commitment, giving clarity to investors and the supply chain, and are

## MINISTERIAL VIEW

**Lord Deighton**  
Commercial secretary to the Treasury



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developed with industry.

The latest NIP, launched in December, contains planned work with £460bn of public and private investment in communications, energy, floods, science and research, transport, waste and water.

The right funding and finance is essential. We in the Treasury provided long-term settlements for departments and agencies to 2020–21. Last year, we specified which projects those settlements would be spent on, including £15bn on the strategic road network, £2.3bn on flood defences and a £38bn Network Rail delivery programme. Some 21% of this pipeline is public investment, 14% is public/private, and 65% is wholly private.

The UK is a pioneer in private investment and we have learned important lessons about how to do, and how not to do, private investment.

The UK Guarantees Scheme guarantees up to £40bn for big-ticket projects, including the Northern Line extension, Mersey Gateway Bridge and the University of Northampton.

We have set up the Green Investment Bank, investing £1.4bn in more than 35 projects. And through the insurers' infrastructure investment forum, six insurers have committed £25bn over five years. And we have attracted £18bn of large-scale equity investments since 2010 – all from overseas.

Delivery is an area where we have traditionally not been strong. Our 2010 review of the cost of infrastructure noted the "need for a greater focus on the early stages of projects". We have also not been great at getting our infrastructure projects built quickly. Though I can claim an exception here: the Olympic Park went from vision to reality in seven years.

In 2011, we set out "top 40" priority infrastructure investments – to monitor and support progress in delivery. Ministers across Whitehall are closely monitoring progress and working together to

address challenges. We have improved the commercial capability of key infrastructure departments, focused on putting the right leadership in key delivery bodies, and taken steps to improve the planning system. We also intend to make compulsory planning orders clearer, fairer and faster.

We have completed more than 2,500 major projects since 2010, and mega-projects such as Crossrail and HS2 are on track and on budget.

We are building the Northern Powerhouse, using infrastructure investment to drive home-building and devolving decision-making and empowering local leaders.

And more than 60% of the projects are now under construction or part of an active programme – compared with less than half in 2013.

Planning and investment decisions must go beyond political cycles. The Victorians looked far beyond the next few years – it is why we are still using their infrastructure today.

*Lord Deighton KBE spoke at the Whitehall Lecture Series, organised by the Cambridge University Land Society, on 29 January. The next lecture, featuring Kate Barker CBE, will be on 30 April. For details visit [www.culandsoc.com](http://www.culandsoc.com)*

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