**National Infrastructure Strategy – Summary**

The National Infrastructure Strategy (NIS) was published at the 2020 Spending Review. It follows a report of the National Infrastructure Commission, as well as internal government reviews such as Project Speed.

The NIS features new and existing funding streams, new ways of working and how infrastructure will contribute to achieving government policies – levelling up, net zero, better design, green growth etc.

1. **Recovery and rebuilding the economy**

* Continuing to **progress the UK’s ambitious infrastructure plans** in all parts of the country is vital to the recovery of the construction sector, and the economy as a whole.
* By ramping up investment progressively in a structured way, the government’s ambition is to **eliminate the peaks and troughs** that have proved destabilising for the supply chain in the past.
* In the **immediate-term new investment will be targeted at smaller local schemes to upgrade existing infrastructure**. These projects can be taken through planning and development quickly to provide employment opportunities in the UK construction sector that would otherwise be affected by COVID-19 and decreasing private sector demand
* HM Treasury is strongly encouraging all government departments and their agencies to progress approved and funded projects into procurement and contract without delay (subject to good project discipline). This includes continuing to publish a comprehensive **National Infrastructure and Construction Pipeline**, with the next update in Spring 2021.
* **The government is also urging local authorities to take steps to preserve construction jobs in their areas by progressing funded projects as soon as practicable.**
* Finally, the government will use its weight as a major construction client to transform and modernise the industry, through the publication and implementation of the **Construction Playbook**.

1. **Levelling up the whole of the UK**

*Leaving no community or business behind*

* £5 billion to support UK-wide gigabit broadband roll-out, a Shared Rural Network extending 4G mobile coverage to 95% of the UK, and £250 million to ensure resilient and secure 5G networks;
* £5 billion over this parliament to transform **bus services** and **cycling infrastructure**;
* A new £4 billion cross-departmental **Levelling Up Fund** that will invest in local infrastructure in England to invest in local priorities
* £5.2 billion by 2027 to better protect communities from **flooding** and **coastal erosion**.

*Creating regional powerhouses, making cities the engines of growth and revitalising towns*

* Backing new **green growth clusters in traditional industrial areas**, with carbon capture and storage, offshore wind, port infrastructure and low carbon hydrogen;
* Bringing jobs, investment and prosperity to some of the most deprived communities across the four nations of the UK through the **Freeports** programme;
* Revitalising over 100 town centres and high streets through the **Towns Fund**; and
* Restoring many of the **rail services** lost through the Beeching cuts of the 1960s

*Connecting the regions and nations of the UK, and creating a united and global Britain*

* Over the remainder of Network Rail’s 5 year settlement – Control Period 6 – the government will invest £17.5 billion to **renew and upgrade the railway system**, improving passenger journeys across the UK
* The government has also launched a **New Ideas Fund** to pay for feasibility work on proposals for new lines and stations
* The government is also expanding the third round of the **New Stations Fund** to £32 million.
* Record investment in strategic roads (over £27 billion), including the A66 between Penrith and Scotch Corner, **Lower Thames Crossing**, and the A303 Stonehenge
* A **comprehensive cross-modal freight strategy will be published in 2021** in response to the NIC’s report into freight.
  + The government has also recently established a Freight Council to provide a forum for discussion with industry stakeholders from all parts of the freight sector. The forum met frequently in the first half of 2020 and will meet quarterly going forward, with a focus on long-term strategic issues for the freight sector.

*Changing how decisions are taken*

* Changing the way projects are appraised to support **levelling up through the Green Book Review**;
  + Appraisals must give a comprehensive picture of cost and benefits, including non-monetisable, non-economic impacts
  + Options will be assessed first and foremost on whether they deliver relevant policy objectives (for instance, the regeneration of a particular place).
  + Appraisals and advice to ministers should include much better analysis on how options deliver their policy goals, as well as which parts of the country look to gain most from them, supporting better-informed decisions
* Expanding **devolution within England**, and implementing the devolution deal in West Yorkshire; and
* Relocating 22,000 civil servants out of London and the South East by 2030.

1. **Decarbonising the economy and adapting to climate change**

The government will unlock private sector investment to accelerate the deployment of existing technology, such as retrofitting the UK’s building stock and electrification of vehicles, while advancing newer technologies such as carbon capture and low-carbon hydrogen.

* Public financing will help to overcome barriers to investment in new technologies and ensure the costs are borne fairly across society, for example by using the **government’s unique position to support those risks where the private sector simply cannot**, including in the development of financing and delivery models for complex and novel major infrastructure
* Net Zero Review to be published in spring 2021

Hydrogen

* In order to realise the potential of hydrogen the government is establishing a **£240 million Net Zero Hydrogen Fund**. This will provide capital funding to support deployment of low-carbon hydrogen production in the UK, and will support both methane reformation with CCS (‘blue’ hydrogen), and electrolysis using renewable electricity (‘green’ hydrogen).
* Working alongside partners in industry, the government’s aim is for the UK to develop 5GW of low carbon hydrogen production capacity by 2030, with a mixture of ‘blue’ and ‘green’ hydrogen.
* Next year, the government will set out its approach to growing the hydrogen economy, through a **UK Hydrogen Strategy**. The strategy will consider how to continue support for the scale up of low carbon hydrogen production, as well as the interaction with storage, distribution and potential end use demand. It will set out how the UK can capture economic benefits from building a resilient domestic supply chain.
* This will include details of hydrogen business models and a revenue mechanism for bringing through private sector investment, to ensure low carbon hydrogen can play a key role in the UK’s economic recovery and achieving net zero. It will also set out how the government will support the hydrogen and CCS industries side by side, in conjunction with support for the demand side such as heating trials and support for hydrogen in shipping.

Transport

* By 2023 the government expects to see a high-powered charging hub at every motorway service area, installed by the private sector.
* To ensure the private sector can continue to expand the charging network at pace in the 2020s, the government will invest £950 million in future proofing grid capacity along motorways and key A roads to prepare for 100% uptake of zero emission cars and vans ahead of need.
* The government will also extend support for chargepoint installation at homes, workplaces and on-street locations, but reform these schemes so that they target difficult parts of the market such as leaseholders and Small and Medium Enterprises (SMEs).
* £90 million to fund local EV charging infrastructure to support the roll out of larger, on-street-charging schemes and rapid hubs in England.
* The government will provide £20 million in 2021-22 to enable a UK network of technology demonstrations in alternative marine fuels and green shipbuilding, including hydrogen vessels trials in Orkney and groundworks for a hydrogen port in Teesside.

Buildings

* Enabling heat decarbonisation by supporting the roll-out of existing technologies like heat pumps and development of emerging technologies like hydrogen
  + By the early 2030s the UK needs to be in a position to ensure that the estimated 1.7 million new heating systems being installed each year are ready for net zero. Today, that number is nearer 30,000
  + This includes delivering hydrogen heating trials, where the government is investing £81 million with the goal of beginning a neighbourhood trial by 2023 and a large village trial by 2025.
  + For heat pumps, it means taking large scale ‘no regrets’ actions which are necessary in all scenarios and can lead to lower consumer bills, reduced fuel poverty and a thriving industry.
  + This includes ramping up the domestic heat pump market to 600,000 installations by 2028, growing heat networks, and improving the energy efficiency of the UK building stock.
  + This will require strong regulation to drive behaviour change and investment from those able to pay, while ensuring that the government supports those who need it.

1. **Supporting private investment in infrastructure**

Private investment has delivered major benefits for UK infrastructure and will be critical over the coming decades as the UK moves towards meeting net zero in 2050. The government is committed to supporting private investment and is taking action across the following areas:

* The government is setting up a new **UK infrastructure bank**, to co-invest alongside the private sector in infrastructure projects;
* The bank will operate UK-wide, be based in the North of England, and support the government’s ambitions on levelling up and net zero;
* The bank will also be able to lend to **local and mayoral authorities for key infrastructure projects**, and provide them with advice on developing and financing infrastructure;

1. **Accelerating and improving delivery**

The government set up Project Speed in the summer, to review every part of the infrastructure project lifecycle and identify where improvements could be made. Project Speed has developed a comprehensive package of reforms, including:

* **Reform of environmental regulations** to deliver a quicker and simpler framework for assessing environmental impacts and secure better outcomes for the environment;
* Landmark **reform of the planning system** including consulting on amending permitted development rights, to let schools and hospitals be expanded quickly;
* **Embedding good design** in all infrastructure projects through planning reforms; and
* Transforming the construction sector to enable it to become more productive, more sustainable and more internationally competitive, with better use of data and **modern methods of construction**;
* Ensuring more **effective decision making** with streamlined approval processes, more emphasis on quality design, and better monitoring and evaluation;
  + **National Infrastructure Planning Reform Programme** will refresh how the NSIP regime operates, making it more effective and bringing government departments together to deliver more certainty in the process and better and faster outcomes. This will:
    - Set an ambition to cut timescales by up to 50% for some projects entering the system from September 2023;
    - Establish a project “acceleration team” of planning experts to accelerate infrastructure projects through the system, identifying innovative ways to deliver faster planning consents; and
    - Monitor the performance of the NSIP regime, coordinate with relevant departments on the need for a review of their National Policy Statements and ensure effective engagement with infrastructure departments, statutory consultees and the Planning Inspectorate and industry.
  + The new **Public Value Framework** which establishes a clear link between departments’ spending proposals and intended outcomes
  + The government has launched the trial of a new **Project Scorecard** to identify from the outset how projects will contribute to government’s priority outcomes
  + A new **cost benchmarking hub and data platform**, supported by cost estimating best practice guidance to ensure project assumptions are realistic and achievable at the outset, enabling more robust decisions at an earlier stage
  + Developing a **“national digital twin**” of the UK’s infrastructure systems and built environment.
  + A National **Underground Assets Register**
  + Remove duplication and **speeding up investment approvals** at the centre of government by combining HM Treasury and Cabinet Office approvals processes for priority projects;
  + Bringing in **specialists and ministers into the process earlier** to offer expertise, support and provide key decisions early on - progressing or stopping projects at the right time
  + **Front-end loading planning and decision making** – ensuring all major projects that are complex or novel use the Routemap methodology, a project initiation tool developed by industry and the IPA. A new **Project Delivery Framework will be introduced in early 2021**, including setting clear standards that must be met at each stage for a project to proceed
* Bringing about a step change in capability and leadership, accelerating investment in major project expertise and delivery skills and improving the skills base across the country to ensure every area can deliver the infrastructure it needs.
  + Recruiting a **pool of major projects experts**, deployed directly into departments, to boost leadership capacity and capability in government major projects, and filling critical gaps in professional delivery roles across the government’s major project portfolio;
  + Creating **a better deal for major project SROs** to boost capability and capacity across government, by taking forward work to reform selection, remuneration arrangements, grade structures and support, which will attract and retain top talent; and
  + Setting a requirement for projects to **demonstrate SRO capability and capacity** through approvals gates, to ensure projects are resourced with leaders with the right level of experience and time to focus on effective delivery.
  + Establishing a new **Government Projects Academy** to set professional standards and equip people across government with the expert skills needed to deliver major projects successfully, putting world class delivery, modern methods and sustainable practices at the heart of training practices. This would be open to project leaders from across the public sector and local government including **making new scholarships available to project leaders in local government**;
  + Introducing a rigorous new approach to **developing and accrediting project professionals** at all levels, from foundation to mastery, starting in 2021, with standards set by the new Government Projects Academy
  + Establishing **training on major project delivery as a core expectation for Ministers and senior officials** as senior sponsors of infrastructure projects, to build understanding of how best to support and challenge major projects to help them succeed.

1. **Summary**

These reforms have already driven substantial progress, and in future mean the UK’s vital infrastructure like schools, hospitals, transport and other networks will be delivered better, greener and faster:

* + Better, because the process of assessing infrastructure projects under the revised methodology will ensure the government is valuing the wider economic, social and environmental benefits of a project. The government will set projects up to succeed by strengthening the assurance and decision-making regime.
  + Greener, because the requirements of the net zero commitment will be considered in every stage of the project lifecycle and underpin decisions on the technical solutions chosen to achieve the required outcomes.
  + Faster, by simplifying and shortening the processes through which projects secure the consents they need to proceed, procure contracts and deliver; while using modern methods of construction, new skills and a strategic relationship with industry which will improve productivity.