

News story: Chief Secretary heralds breakthrough in Northern Line extension

A groundbreaking new development in South West London moved a step closer today (8 November), as tunnelling work on the Northern Line extension was completed, paving the way for faster journey times and supporting tens of thousands of new homes.

This project, which was backed by £750 million of loan guarantees from HM Treasury, has created two new tunnels running from Battersea to Kennington via Nine Elms. Two new tube stations – Nine Elms and Battersea Power Station – will also be added to the Northern Line, helping cut commutes to central London to as little as 15 minutes.

The Chief Secretary to the Treasury, Liz Truss said:

It's very exciting to see this new phase of the Northern Line delivered.

Great infrastructure, including the tube, is vital to a thriving London. That is why we backed this important project which is supporting thousands of jobs and new homes in our capital.□

And that is why we are backing projects across the country that will help drive enterprise and growth.

The newly extended service is vital to regenerate a historic part of London, and will create an estimated 25,000 new jobs, resulting in more than 20,000 new homes being built in the area.

As the first London tube line extension for more than 20 years, the project received government support in 2012, in the form of a UK Guarantee. This project was one of the first to benefit from the UK Guarantee Scheme which supports private investment in UK infrastructure projects, and enabled the Mayor of London to borrow up to £1 billion needed to get it off the ground.

Further information

The UK Guarantees Scheme was launched in July 2012 and can issue up to £40 billion of guarantees. To date, it has issued nine guarantees totalling £1.8 billion of Treasury-backed infrastructure bonds and loans, supporting over £4 billion worth of investment.

For the Northern Line extension, the loan from the Public Works Loan Board is being used to pay for the up-front costs of construction, while the borrowing costs are being serviced by a tariff on development paid by developers to the

London Boroughs of Wandsworth and Lambeth under the Section 106 (s106) and Community Infrastructure.