

Speech: Chief Secretary to the Treasury lays out Britain's long-term plan for Britain's infrastructure

Good morning.

I'm here because I want to talk about our long-term infrastructure strategy for the future.

And as momentous a day as this is for the country, what it doesn't do, is in any way alter our commitment to the plans, structures and strategies we've put in place for Britain's infrastructure.

We've spent the last 7 years making sure that our whole system is built to offer more certainty, over a longer period, than this industry has ever had from a government.

So today, we might have fired the starting gun for our EU exit.

But when it comes to our infrastructure, we're already off the blocks, with the same, clear track to follow.

That's a big change. It's a clear departure from the kind of stop-go planning we've had in the past.

Short-termism, after all, makes for the shakiest of all foundations to build on.

When it comes to projects of scale, complexity and cost, this simply isn't an industry that talks in terms of months and years, it's one that plans decades ahead. And for so long, governments of the day have been rightly, and roundly, criticised, for failing to take that adequately into account.

We have set about changing that and I think we are now light years ahead of where we used to be. In 2010, we developed the first ever National Infrastructure Plan, a strategy that spanned the full spectrum of our economic needs.

Last year, we published our National Infrastructure Delivery Plan, setting out in detail how the government will support delivery of key infrastructure projects and programmes.

And perhaps most crucially of all, we've established two bodies that are, in my book, completely game-changing. Both organisations, are I know, represented here today – and will be more than happy to discuss their work with you.

I am of course talking about the NIC, and the IPA. We set up the National Infrastructure Commission with the freedom and autonomy to provide

independent advice on the infrastructure of most value to our economy. And we established the Infrastructure and Projects Authority to look after the actual delivery of our projects – and keep them on time, on track, and on budget – something which is of such importance to the Treasury and our spending control teams, that the IPA are actually based right by my own office!

But it goes without saying that you can have all the right structures and processes in place in the world, but they count for nothing without the investment to make them a reality.

And I want to stress that word – investment.

Under previous governments, investment has all too often been used as just a byword for spending. But what we've always been absolutely focused on, has been the economic case – what is the actual return on this investment?

With money tight, we have to assess every business case with a hard-headed appraisal of both its value for money, and the contribution it will make to getting our economy growing, our productivity levels rising, and our living standards improving.

The money we are spending, therefore, is no short-term, Keynesian fiscal stimulus, it's a long-term investment in our long-term prosperity.

And it's been a big investment that we've made.

In fact – if you add up all the investment since 2010 – from both the public and private sector – we've seen over a quarter of a trillion pounds invested in British infrastructure.

We've given flagship projects the go-ahead – like Hinkley Point C, HS2 and supporting a new runway at Heathrow.

We've invested in various sized projects, across the country and across different sectors.

I could give you countless examples of the changes we've made. Like the flood defence project in Rossall, that's reconstructing around 2 kilometres of seawall on the North West coast near Blackpool. Set for completion later this year, it's going to reduce the risk of flooding to 7,500 homes.

Or look at the Crossrail project that will run for over 100km from Reading and Heathrow in the West, to Shenfield and Abbey Wood in the East – to bring an extra 1.5 million people to within 45 minutes commute from London. And consider, too, the way we're investing on a large scale in superfast broadband.

In 2010, average download speeds were just 5.2 megabits per second – last year they reached an average of 37. And by the end of this year, we're going to have 95% of all UK premises able to access superfast broadband. I won't go on with what is a very long list of different things we're doing.

But I do think it's important to reflect on just how much change is actually happening on the ground – or is coming in the pipeline.

And we recently ramped up our focus on infrastructure even further.

We placed it at the heart of the Industrial Strategy Green Paper we launched this year.

And at the Autumn Statement, we set up a new National Productivity Investment Fund, worth an extra £23 billion, with a focus on high-value infrastructure projects – spanning the full range, from homes, to transport, to digital infrastructure.

We want to be innovative in how we get the best bang for our buck with this money.

A good example of that is how we're putting around 10% of that funding towards a new Housing Infrastructure Fund – to deliver the underlying infrastructure that can unlock thousands of new homes.

And beyond this new pot of money, we're also alive to the critical role that the private sector can play.

The UK Guarantees Scheme has already helped support some really important improvements – from the Mersey Gateway Bridge to the Countesswells housing development in Aberdeen, or the Speyside Renewable Energy project in Moray, Scotland.

So we have extended the scheme to at least 2026.

And I know Matthew [Vickerstaff – IPA Deputy Chief Executive] from the IPA has already set this in the context of our broader strategy on private finance.

A final point I want to stress is the value we see in technology.

We want to see the UK remain a world leader in innovation – and to make sure this contributes to how we improve the performance of both existing and new infrastructure assets.

This is, ultimately, a question of efficiency – which must, for any government, always be a watchword taken to heart.

That's why I'm pleased that the NIC has agreed to produce a report on the role of technology in infrastructure, to be published this year.

And it's why we're already taken a range of things forward – like setting up the Future Cities Catapult, or investing in Digital Built Britain to set us on a path to new digital standards for construction.

So let me end there, because I do want to have time for some comments and questions from you – and though article 50 doesn't change our long-term plans on infrastructure, it does unfortunately mean my time here has had to be

curtailed!

But I want to close by saying that whether we're talking about Brexit, or our infrastructure, we know that on both of these subjects, businesses operate best when people know what is coming.

We've already taken great steps to reform the whole way in which we plan and deliver infrastructure to help give you that kind of certainty.

And as the Prime Minister has already made clear, we'll be doing the same as we plan and deliver our exit from the EU – giving you as much information and clarity as we can, every step of the way.