



Infrastructure  
and Projects  
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# UK - National Infrastructure and Construction Pipeline

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UK

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# About the IPA



Reporting to Cabinet Office  
and HM Treasury



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## Who we are

The IPA is the government's centre of expertise for infrastructure and major projects.

We support the successful delivery of all types of infrastructure and major projects; ranging from railways, schools, hospitals and housing, to defence, IT and major transformation programmes.

## Our purpose

Our purpose is to continuously improve the way infrastructure and major projects are delivered, in order to support government priorities and improve people's lives.

We aspire to create the best performing project system of any country in the world.



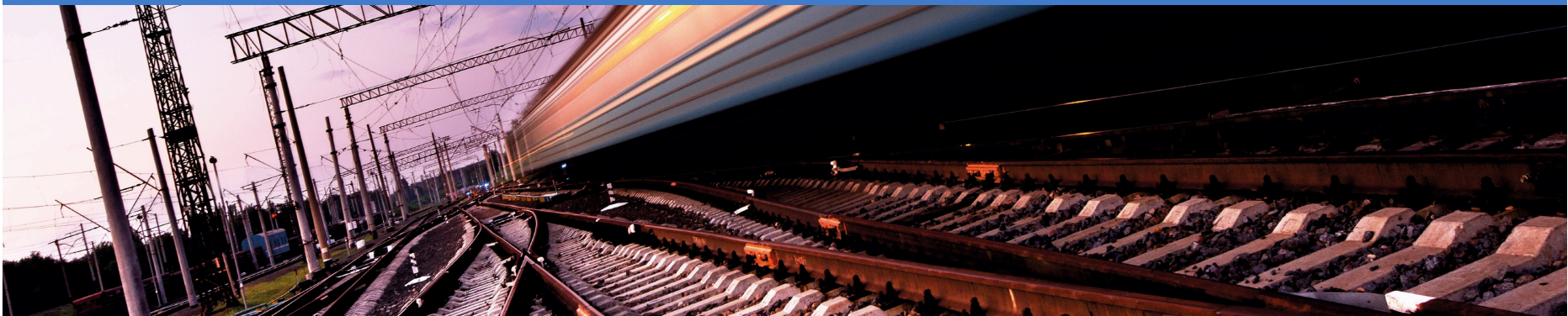


## Institutional framework for infrastructure

The IPA is part of a wider institutional framework for infrastructure planning and delivery. The National Infrastructure Commission (NIC) is responsible for articulating a long-term vision for infrastructure and the government will determine which projects are delivered. The NIC will hold the government to account for taking forward the plans that result from its work.

The IPA enables this long term planning to be translated into successful project delivery.

Together, this establishes the right framework for infrastructure.





# Our priorities

## Setting up projects for success

Success or failure of a project is often determined by how it is set up. We help set up projects for success by influencing the policy environment, deploying our expertise as early possible, developing tools and standards to ensure realistic project objectives are established at the outset and helping projects access the resources they need.



## Creating market confidence

We need a confident private sector to help deliver and invest in infrastructure and major projects. We create confidence by providing foresight and transparency on the future pipeline of projects, establishing financial policies and products to support private investment and ensuring government priorities are consistent and clear so the market can plan.



## Building delivery capability

Great project leaders deliver great projects. We develop project leadership in government and build delivery capability by providing world class leadership programmes, developing career pathways, leading the project delivery and project finance professions and developing government to act as an exemplary client.



## Measuring and improving performance

We do all we can to help infrastructure and major projects deliver their intended benefits for society and provide value for money for the taxpayer. We seek to measure the performance of projects over time, to understand what is necessary to improve performance of the system and adjust the system accordingly.





# Our teams and activities

1

## Finance & International

The Finance and International team is comprised of project finance specialists. We advise government on the availability and policy implications of private finance and support Public Private Partnerships (PPPs) across government. Where necessary, we oversee financial market interventions such as the UK Guarantee Scheme (UKGS). The International team provides training and advice to foreign governments on their infrastructure plans and programmes.

**46 schools**

under the Priority Schools  
Building Programme, and the

**£340m**

**Midland Metropolitan  
Hospital,**

are being delivered via PF2

The UK Guarantees  
Scheme has so far issued

**£1.7bn**

worth of

guarantees, supporting

**£4bn**

of investment in  
**9 UK infrastructure  
projects**

The IPA has  
advised over

**60**

**foreign governments**  
on their infrastructure  
plans and programmes

### Example

The Finance team supported the financing of the Mersey Gateway Bridge - a new tolled crossing of River Mersey (Runcorn-Widnes) in North West England. The £605 million project was financed using a mixture of debt, equity and mezzanine products. As part of this package, UKGS supported the issuance of £257.2 million 29-year guaranteed senior bonds.



# Our teams and activities

2

## Operations

The Operations team is comprised of project delivery experts. We support government departments in delivering their projects, pay particular attention to projects at the early stages of development and provide independent assurance to the Government Major Projects Portfolio (GMPP) - the most complex and strategically significant projects across government.

We oversee approximately

**150**  
major projects,  
with a value of  
**£450bn**

We arrange and manage

more than  
**200**  
independent  
assurance reviews  
of major government  
projects each year

## Example

The Operations team provided a suite of independent assurance on HM Revenue & Customs' (HMRC) Real-Time Information Project. The project improved the PAYE system by creating more up-to-date taxpayer records and making the system easier for employers and HMRC to administer. This has reduced administrative costs and also means that more people will pay the correct tax each month, reducing the need for adjustments at the end of the year.



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## Why Invest in Infrastructure

- Economic Growth
- Boost productivity and competitiveness
- Enable investment
- Deepen labour and product markets
- Collaborate and Innovate
- New housing and business development



Infrastructure investment could support 5,000 construction jobs for every £1 billion spent, as well as many more indirectly in design, engineering and planning



For every £1 the government is investing in broadband, the UK economy will benefit by £20



£266 million of transport pinch point funding means local transport improvements of over £511 million, with the potential to support over 200,000 jobs and around 150,000 new homes



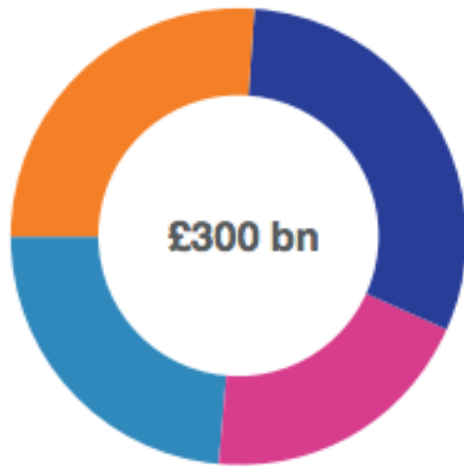
62% of suppliers winning work for Crossrail are outside London; 58% are SMEs



Increase in overall economic activity of £2.84 for every £1 spent on infrastructure construction

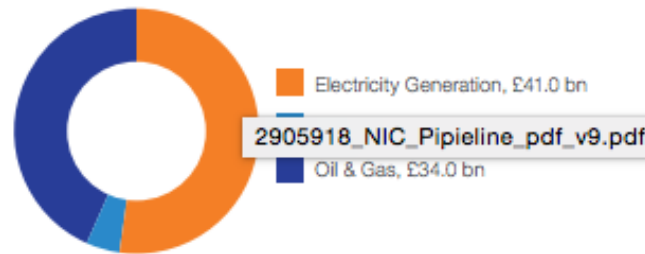


# Overview of total investment from 2016/17 to 2020/21

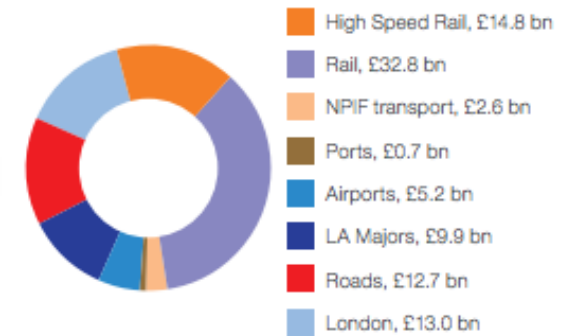


- Energy £78.6 bn
- Transport £91.9 bn
- Utilities £59.2 bn
- Other sectors £71.6 bn

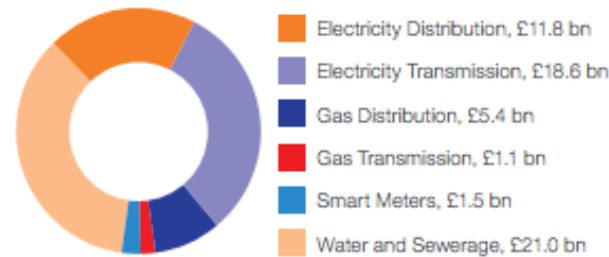
Energy — £78.6 bn



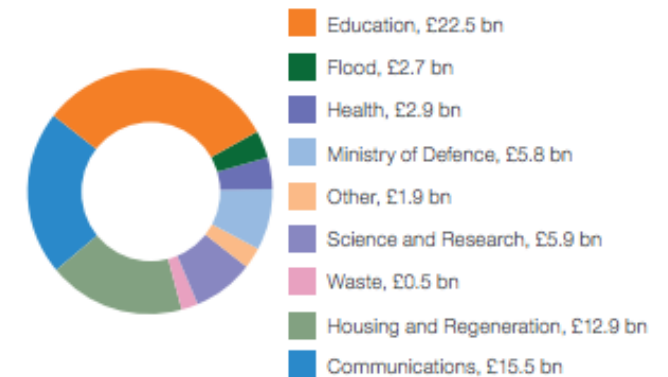
Transport — £91.9 bn



Utilities — £59.2 bn



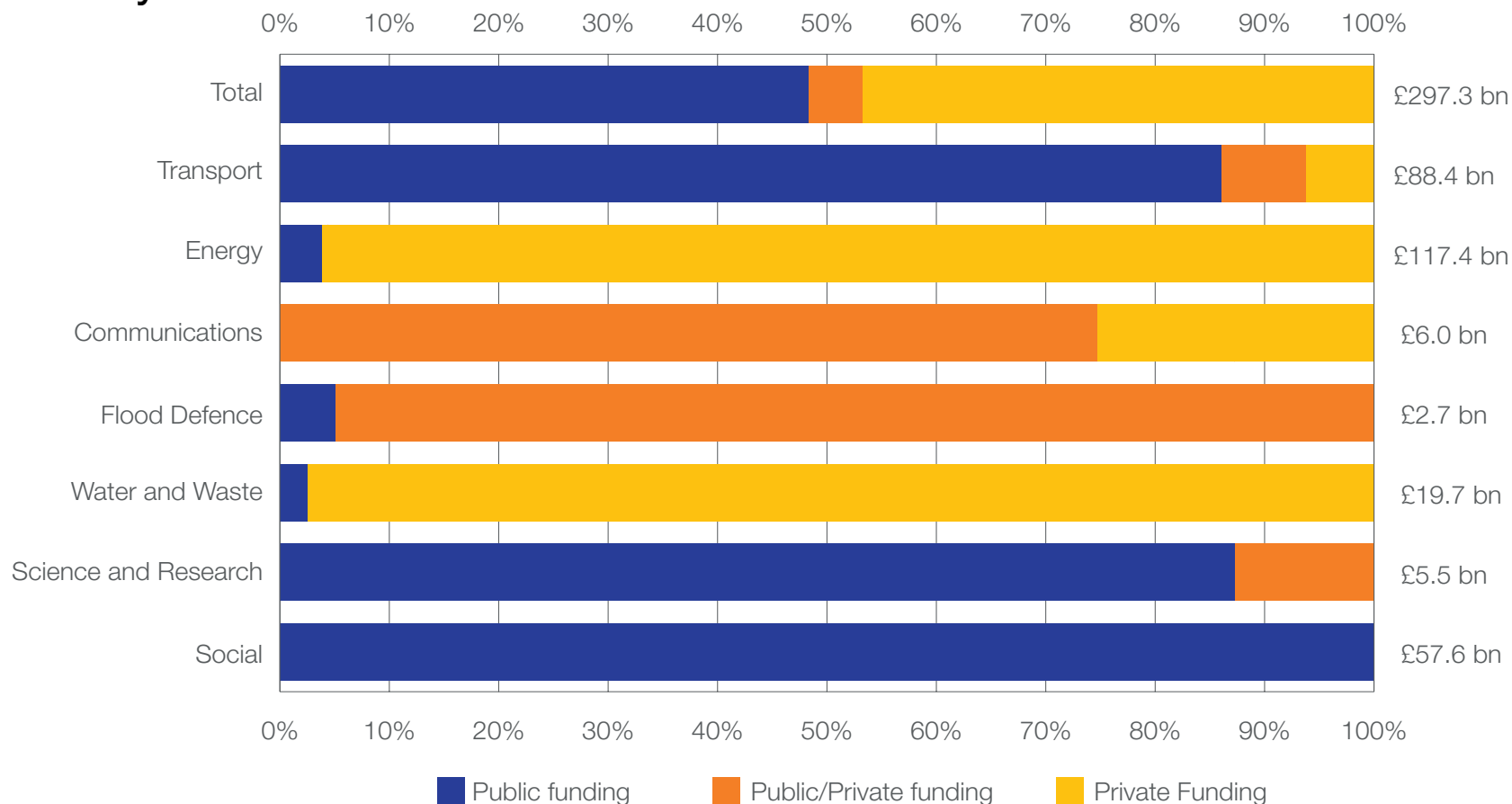
Other sectors — £71.6 bn





# Infrastructure Financing Sources of Funding by Sector – Plan for the Future

## Funding Mix of National Infrastructure Pipeline



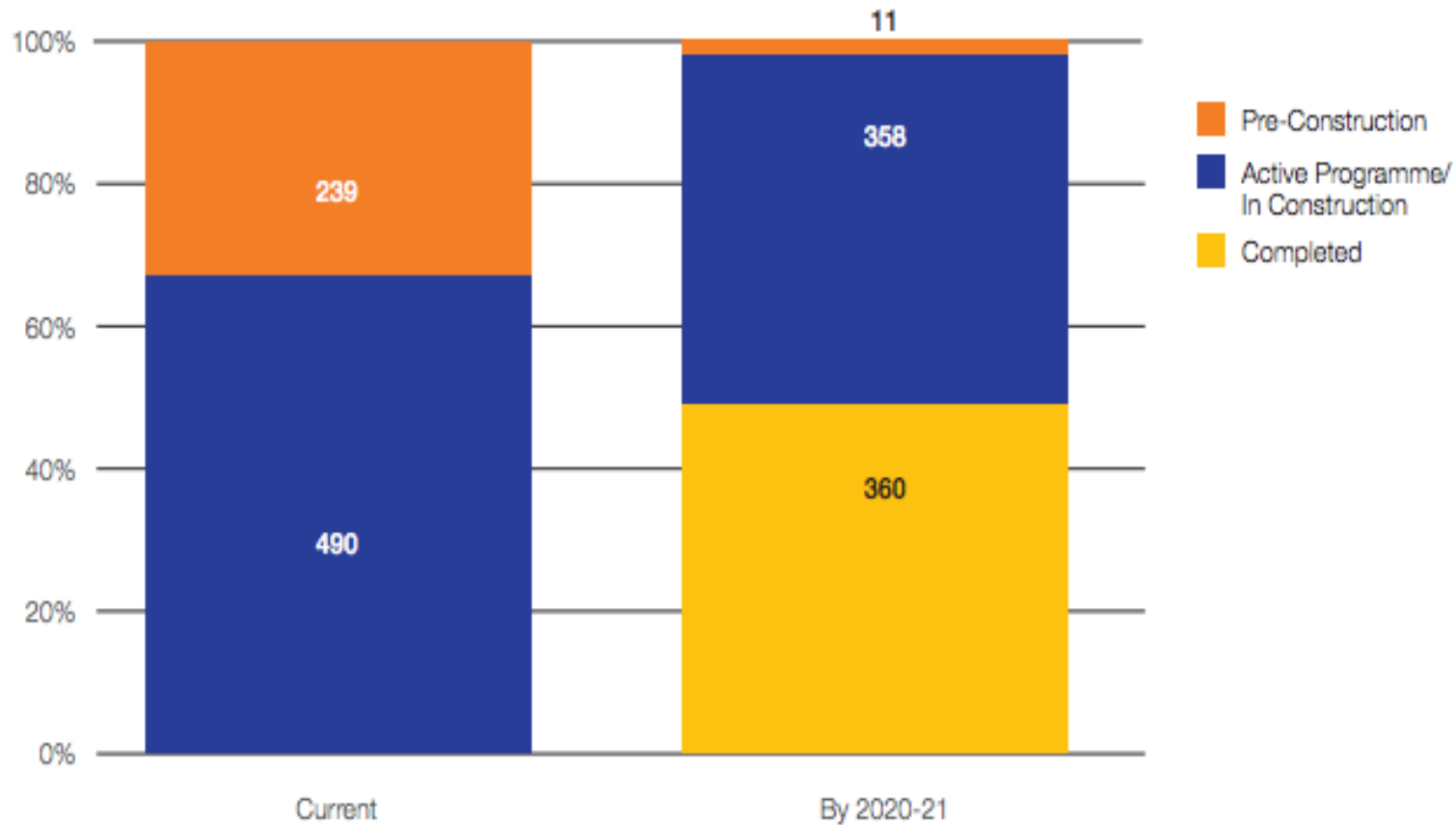
Source: Infrastructure & Projects Authority, Major Infrastructure Tracking Unit

Social includes public sector investment only. The proportion of public spend on economic infrastructure excluding public sector social funding is 36%.



More than 60% of the pipeline is made up of projects in construction or active programmes.

Chart B: Project status, current and projected





# How it can be used

- Published each year – on .Gov.uk website
- Lists what projects are coming, in which sectors and where
- Sets out who clients are and when projects are scheduled
- Can be filtered by sector, status or region
- Builds confidence in forward investment plans
  - not just for large Tier 1 contractors, but helps SME's and regional businesses understand potential markets for their goods and services
  - e.g. Heathrow and logistics hubs



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# National Infrastructure and Construction Pipeline

[www.gov.uk/government/publications/national-infrastructure-and-construction-pipeline-2016](http://www.gov.uk/government/publications/national-infrastructure-and-construction-pipeline-2016)