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*The government is committed to delivering a cross-cutting 10 year strategy for the UK's social, economic and housing infrastructure to support a flourishing modern economy, drive growth, deliver net zero and support improved public services*

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## Summary

This paper sets out the government's plan for its 10 Year Infrastructure Strategy ("the Strategy"). Over recent years uncertainty about infrastructure plans and policy has inhibited investment in programmes and supply chains, pushing up end costs for consumers. Infrastructure investment is essential for delivering the government's missions – growth, housing, clean energy and net zero, and improved public services. The Strategy seeks to reduce uncertainty by bringing together a long-term plan for the country's social, economic and housing infrastructure. The Strategy will also set out an institutional framework to support its implementation, including setting out the role of public financial institutions such as the National Wealth Fund and how the Strategy will support other strategies, such as the industrial strategy. The Strategy sits at the heart of the government's growth mission and will seek to drive growth and productivity through providing stability and certainty to the market on the long-term plan for infrastructure.

## Introduction

1. Infrastructure is critical to achieving the government's missions. Many types of infrastructure deliver growth. The government's housing targets, coupled with investment in supporting infrastructure, will remove barriers to economic growth.<sup>i</sup> The Clean Power Action Plan has set out the infrastructure needed to achieve Clean Power 2030 as part of the government's clean energy mission.<sup>ii</sup> This objective and the longer term trajectory to net zero, to be informed by the Strategic Spatial Energy Plan, will require fundamental changes to the UK's infrastructure over the next decade. The government has also committed to delivering 1.5 million homes in this parliament. The government is also taking action to deliver the social infrastructure the country needs. The government's 10 Year Prison Capacity Strategy sets out how the government will build 14,000 prison places and aim to do so by 2031.<sup>iii</sup> The school rebuilding programme commits to major rebuilding and refurbishment projects at schools and sixth-form college buildings across England.<sup>iv</sup> The New Hospital Programme will also consider health infrastructure needs.<sup>v</sup>
2. To achieve these ambitions, the government must adopt a new approach to delivering infrastructure. Infrastructure in the UK is often too costly and not planned and delivered in a way that meets the country's strategic needs. Investment is also more volatile than international comparators, leading to inefficiencies caused by peaks and troughs in investment cycles. This drives up the cost of infrastructure projects, reduces industry confidence to invest, and diminishes the public acceptability of programmes. Construction outturn costs in the UK have risen by around 30% more than GDP per capita since 2007 meaning projects are more expensive relative to the country's ability to pay for them.<sup>vi</sup> The National Infrastructure Commission has estimated that the outturn costs across a portfolio of infrastructure projects could be reduced by between 10% and 25% by improving our approach.<sup>vii</sup>

3. The causes of these cost pressures are complex. They include delays in the planning system. The government has begun to deal with this challenge through the Planning and Infrastructure Bill. The government has set out detailed proposals in a series of planning reform working papers, covering planning committees, a new approach to the discharging by developers of environmental obligations, and streamlining infrastructure planning - including delivering better, clearer and stronger National Policy Statements, faster decisions on nationally strategic infrastructure and making the regime more flexible.
4. Infrastructure costs have also been driven up by government failing to provide a stable policy environment and a clear strategic direction. Past governments set out a long-term infrastructure strategy and a separate pipeline of infrastructure projects. The first National Infrastructure Strategy, published in 2020, was subject to major changes, such as the cancellation of HS2 phase 2, and the pipeline was not updated to a fixed timetable. This reduced industry confidence in the government's infrastructure policy, constraining investment and pushing up costs.
5. The government has committed to a new approach, starting with publishing a comprehensive 10 year infrastructure strategy in June. The Strategy, published alongside the multi-year spending review, will outline the government's approach to core economic infrastructure – transport, energy, water, flood risk management, digital, and waste. For the first time, the government's infrastructure strategy will also bring together plans for housing and social infrastructure – hospitals, schools, colleges and prisons.
6. The Strategy will be coordinated across the whole of government and will be aligned with a new long-term spending framework with capital budgets set for at least five years, extended every two years at regular spending reviews. The Strategy will go beyond this, setting out a 10 year set of priorities for infrastructure.
7. The Strategy will also bring together the enabling policy the government is putting in place to ensure the delivery of the infrastructure the country needs. The government has committed to creating the National Infrastructure and Service Transformation Authority (NISTA) to oversee the implementation of the Strategy. NISTA will be a joint unit of HM Treasury and the Cabinet Office, embedded in HM Treasury with the Chief Secretary to the Treasury as the lead minister. The Strategy will also support Skills England in their assessment of where skills gaps exist that will need to be addressed to successfully deliver key infrastructure projects.
8. This paper sets out the principles the Strategy will follow, its broad objectives, and provide more detail on the Strategy's scope.

### **Principles and objectives**

9. The overarching objective of the Strategy is to set out what the public can expect from infrastructure services and provide certainty to industry on the government's priorities for infrastructure. Explaining what the public can expect from infrastructure will illustrate the longer-term benefits of infrastructure projects and programmes. Setting out the government's objectives will help inform and drive investment by companies supporting and delivering infrastructure services. It will also demonstrate to wider industry the impact of the government's priorities (e.g. driving regional productivity improvements) to support crowding in investment.

10. The government has five missions. The Strategy will be focused on how infrastructure can support delivery of those missions, as set out in the Prime Minister's Plan for Change. These include raising living standards through boosting productivity, reducing the percentage of patients waiting more than 18 weeks for treatment, securing home grown clean energy and improving outcomes for young people.
11. To support the government's missions and Plan for Change, the Strategy has three objectives:<sup>viii</sup>
  - a. **Enabling resilient growth:**
    - i. **Boosting growth:** for example, transport infrastructure improvements can increase the number of people able to access city centres. When this is aligned with housing policy, availability of school places, and local skill training via colleges, it can widen local labour markets, which can drive productivity. Similarly, improved digital infrastructure can boost productivity by enabling new forms of economic activity.
    - ii. **Removing barriers to growth:** new housing, combined with provision of skills, can reduce constraints on fast growing places by providing homes for an expanding workforce, alongside accessible childcare to support working parents. Water resources, waste and circular economy infrastructure, and energy production, transmission and distribution infrastructure can enable growth by ensuring there is enough power and water to supply new housing or new areas of economic activity such as data centres. Equally, investment in social infrastructure supports a healthier and better educated workforce to sustain growth.
    - iii. **Ensuring growth is resilient to future threats:** flood risk management infrastructure, and other actions to increase resilience to the physical effects of climate change, and reduce natural capital degradation, can protect existing, and enable new, economic activity. This infrastructure will need to be built, maintained or renewed to meet future needs and manage climate-related and nature risks including storms, water scarcity, drought and overheating, as well as risks to physical and cyber security.
  - b. **Delivering the clean energy superpower mission:**
    - i. **Clean power by 2030:** renewable and low-carbon energy infrastructure, battery storage, long duration storage and supporting investments in energy transmission and distribution networks can deliver clean power by 2030 and support achieving net zero by 2050. Upgrading the grid, and ensuring projects can connect to the grid when they are ready, will be vital to delivering clean power. This investment will have growth benefits by providing green jobs and skills, supply chain opportunities in areas in need of investment, and by reducing reliance on fossil fuels with volatile prices and providing stability for critical sectors such as advanced manufacturing.
    - ii. **Accelerating to Net Zero by 2050:** including supporting the decarbonisation of industry by delivering grid upgrades supporting electrification; building out of additional enabling infrastructure such as EV charging points to support uptake of electric vehicles; decarbonising buildings and improving energy efficiency including through the use of clean heat.

c. **Ensuring social infrastructure can support public services:**

- i. **Hospitals and healthcare facilities:** delivering targeted replacement and maintenance of and critical safety works for the existing primary care estate across the NHS and the UK Health Security Agency, whilst considering the infrastructure required for future target operating models in response to three key shifts: hospital to community; analogue to digital; and illness to prevention.
- ii. **Schools and colleges:** ensuring targeted replacement and maintenance of the education estate and that education settings create community, place and skilled workforces where they are needed. Simultaneously responding to future demographic changes and ensuring education settings support changing education, care and skills provision.
- iii. **Prisons:** effectively managing prison capacity and maintaining the prison estate, while being clear, as set out in the government's Prison Capacity Strategy, that the country cannot build its way out of the current prison capacity crisis.<sup>ix</sup> The Strategy will also consider the needs of the courts estate.

12. In setting out how the government will deliver infrastructure, and enabling policy, to achieve its objectives, the Strategy will follow four principles:

- a. **Mission-oriented prioritisation:** the Strategy will prioritise the infrastructure-related investment and policies needed to deliver the government's missions, starting with economic growth. Where the evidence is clear, the strategy will rule out options which are not viable and prioritise investment in key areas rather than spreading it thinly.
- b. **Providing long-term confidence:** the Strategy will set out the government's plans over 10 years, with longer term directions for goals such as net zero, for infrastructure in the public and private sectors. This will be supported by stable institutional arrangements including five-year capital budgets, rolled forward at Spending Reviews every two years, and the establishment of NISTA to support delivery. This will provide confidence for businesses to make investments, for young people and adults to train and upskill, and for employers to invest in training to help deliver the pipeline of skilled workers needed.
- c. **Addressing crosscutting challenges:** the Strategy will work across sectors to deliver a package of measures which is joined up and coherent. Investment will be prioritised and spatially distributed to support the government's regional growth strategy, housing targets, net zero target, the industrial strategy, resilience to threats and hazards such as climate change, Environment Act targets, and its ambitions for public services.
- d. **Ensuring deliverability and affordability:** the Strategy will be affordable for taxpayers and billpayers and ensure that its projects and programmes are deliverable within the constraints of the fiscal rules, industry capacity and government capability.

### The government's approach

13. For economic infrastructure, in meeting its objectives the Strategy will draw on the analysis of the independent National Infrastructure Commission in its [Second National Infrastructure Assessment](#), along with the Commission's subsequent analysis.<sup>x</sup> For social infrastructure, where no such independent assessment exists, the Strategy will be the first step towards a more holistic, long-term approach to infrastructure need.

Departmental 10 Year Infrastructure Strategy spending review submissions will identify where needs assessments already exist and identify where there are evidence gaps that the Strategy will need to address. It will also include the government's approach to the balance of the maintenance, renewal and replacement of assets.

14. Alongside considering the UK's economic and social infrastructure needs, the Strategy will tackle barriers to meeting that need, considering the role of private investment and regulation, the framework of public institutions supporting infrastructure rollout and improving delivery:
  - a. **Private investment and regulation:** the Strategy will set out the government's approach to private investment and infrastructure-related regulation to provide investors and the supply chain with greater clarity on the government's approach and priorities.
  - b. **Public institutions:** the Strategy will set out how existing and new institutions such as NISTA and the National Wealth Fund will support the delivery of UK infrastructure to achieve the government's missions. NISTA will implement the Strategy, working with departments, regulators and the private sector to do this.
  - c. **Delivery:** the Strategy will set out how the government will improve delivery of social, economic and housing infrastructure and support the supply chain. This will include measures that address supply chain constraints by sequencing investment, introducing planning reforms to enable infrastructure development and action to improve public sector capability and capacity.
  
15. The government has committed to delivering an infrastructure pipeline to give industry a clear sense of the government's long-term infrastructure priorities. There are several options for a forward-looking pipeline, which will affect the specificity and timing of the pipeline. The G20's Global Infrastructure Hub sets out the below typology of forward-looking pipelines:
  - a. **Investment programme:** a forward-looking planning document which identifies longer term allocated public investment and/or spending ahead of project materialisation and focussing on sector objectives. Examples include Australia's 2021 Digital Economy Strategy and Canada's 2030 Emissions Reduction Plan. This is useful for setting out the shape of the government's commitments, such as the amount to be spent supporting specific programmes and objectives. This could provide investors with confidence to invest, but it does not set out specific projects that can be invested in because unless these are led by the government or regulators – such as a new reservoir to be competitively procured – information about these projects is usually market sensitive, meaning developers are unwilling to share information with government for publication.
  - b. **Forward pipeline of projects:** A document tracking expected projects from procurement to delivery. Projects are entered onto the pipeline once their cost and scheduling information has been determined. Examples include the UK Infrastructure and Projects Authority's previous pipeline, and the Australian and New Zealand governments' joint pipeline. This type of pipeline allows the construction industry, and its associated supply chain, to understand which major projects are expected and where, enabling them to focus investment. It also gives confidence to the supply chain on forthcoming work, enabling them to invest in skills and productivity enhancing new methods of construction.
  - c. **Priority projects list:** This is a static list of future projects in order of priority when funding becomes available. One example is the South Africa Strategic Integrated

Projects list. The benefit of this type of pipeline is that it enables government to set out its longer term priorities as and when funding becomes available and before final cost and scheduling information is confirmed. However, as no funding is attached this type of pipeline does not provide detailed information on when the government will deliver projects.

16. The government has commissioned the National Infrastructure Commission to consider the key features of an effective pipeline, reviewing international approaches and setting clear objectives. The government will consider this advice as it develops its approach to a pipeline, which will reflect the UK's governance, fiscal and regulatory frameworks. The choices above are not mutually exclusive, for example the government could produce a detailed forward pipeline of projects for which cost and scheduling information is confirmed and a priority list of projects which will enter the pipeline once relevant information becomes available. The type and level of detail included will inform when it may be delivered. The government could produce a list of priority projects in advance of a more detailed forward pipeline of projects with confirmed budgets and schedules.
17. Government is considering the degree to which the Strategy can be a spatial strategy, and how future iterations of the Strategy will further this ambition. While the option of integrating the various spatial strategies being developed by individual departments – including the Strategic Spatial Energy Plan and the Land Use Framework – will remain available to government, at present it has no detailed national spatial framework. However, government will:
  - **Maximise the benefits of its investment:** for example by coordinating investment in transport and housing to maximise the growth benefits of both.
  - **Provide a place-based perspective:** illustrate the real world impact of proposed investments in case study areas.
  - **Consider the implications of investment on wider infrastructure need:** for example, by setting out the implications for future water and energy demand on government housing targets.
18. The government has tasked the National Infrastructure Commission with reviewing the governance arrangements for identifying and managing key spatial and strategic interactions within its strategy and to advise on the framework and components of a more strategic and spatial infrastructure planning approach. This includes considering the potential for sectoral strategic spatial plans beyond the energy sector, mechanisms for alignment between different plans, and how to prioritise land use. Government will consider its findings as it develops its longer term approach to spatial planning.

### Stakeholder views

19. Government is seeking to engage collaboratively with stakeholders, including the construction sector, its supply chain, major investors and other key industry stakeholders as it develops the Strategy to understand how it can support investment in and the delivery of shared objectives for infrastructure. The Chief Secretary will continue to engage with industry leaders, alongside wider HM Treasury engagement.
20. We would welcome thoughts on the following questions:
  - a. Are the principles and focus areas for the Strategy the right ones to prioritise?
  - b. Which functions of a spatial strategy are most important for you?

- c. Of the types of pipeline – which are the most important features to industry?
- d. How best can the government provide greater certainty for industry? Including the role of the Strategy, a pipeline, and departments?
- e. Do you have views on the early priorities for NISTA to support the delivery of the Strategy?

21. Views can be shared with [10YearInfrastructureStrategy@hmtreasury.gov.uk](mailto:10YearInfrastructureStrategy@hmtreasury.gov.uk).

### **The Strategy's role in the government's Plan for Change**

22. The Strategy is part of a wider package of government reform which will inform spatial priorities for specific types of infrastructure and levels of infrastructure demand. These include an industrial strategy setting out the type of economy the government wants the UK to develop. This will be guided by regional growth priorities, including those identified in Local Growth Plans, which will inform and then help to deliver the industrial strategy. The government is also producing an updated Carbon Budget Delivery Plan, explaining how it will meet Carbon Budgets.
23. The government will also produce or commission sector specific plans, such as the Strategic Spatial Energy Plan, the 10 Year Health Plan and the long-term housing strategy, which will set out plans for delivering services which will have an impact on infrastructure demand. The government is committed to improving the education estate and will produce the Post-16 Education and Skills Strategy to ensure the skills system is geared up to deliver the skilled workforce needed to support the infrastructure pipeline. The Strategy will also support the government's commitment to transition to a circular economy, and the changing infrastructure needs that will entail. Where these strategies have been developed, the infrastructure strategy will address infrastructure supply, ensuring that these plans have considered interactions between sectors as well as cross-cutting issues such as resilience to hazards and threats including future climate change and natural resource depletion.
24. The Strategy will cover regulated utilities and demand for these will be informed by the Strategy's proposed interventions. The government has commissioned ongoing independent reviews of specific infrastructure related issues such as Defra's internal review of regulation and regulators being led by Dan Corry and the Independent Commission into the water sector led by Sir Jon Cunliffe. The Strategy will consider the implications of these reviews for its approach to addressing the UK's infrastructure needs.

### **Next steps**

25. The Strategy will be developed in parallel to the Spending Review and published together in June. This will ensure alignment between long-term spending and non-spending policy decisions.
26. The government will continue to consult with stakeholders as it develops the Strategy.

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- <sup>i</sup> Ministry of Housing, Communities and Local Government (2024), [Housing Targets Increased to Get Britain Building Again](#)
- <sup>ii</sup> UK Government (2024), [Clean Power 2030 Action Plan: A new era of clean electricity](#)
- <sup>iii</sup> Ministry of Justice (2024), [10-Year Prison Capacity Strategy](#)
- <sup>iv</sup> Department for Education (2024), [School rebuilding programme: schools in the programme](#)
- <sup>v</sup> Department of Health & Social Care (2024), [New Hospital Programme review: terms of reference](#)
- <sup>vi</sup> National Infrastructure Commission (2024), [Cost Drivers of Major Infrastructure Projects in the UK](#)
- <sup>vii</sup> National Infrastructure Commission (2024), [Cost Drivers of Major Infrastructure Projects in the UK](#)
- <sup>viii</sup> HM Government (2024), [Plan for Change: Milestones for Mission-Led Government](#)
- <sup>ix</sup> Ministry of Justice (2024), [10-Year Prison Capacity Strategy](#)
- <sup>x</sup> National Infrastructure Commission (2024), [Letter from Sir John Armitt to the Chief Secretary to the Treasury](#)