

Future pipeline for UK infra?

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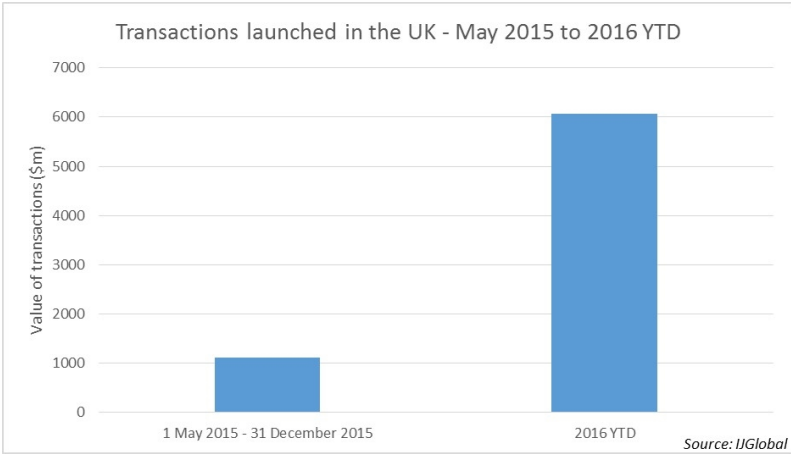
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The UK chancellor will make his autumn statement today, and the infrastructure community will be waiting with baited breath. Will there be a pipeline of infrastructure for the UK?

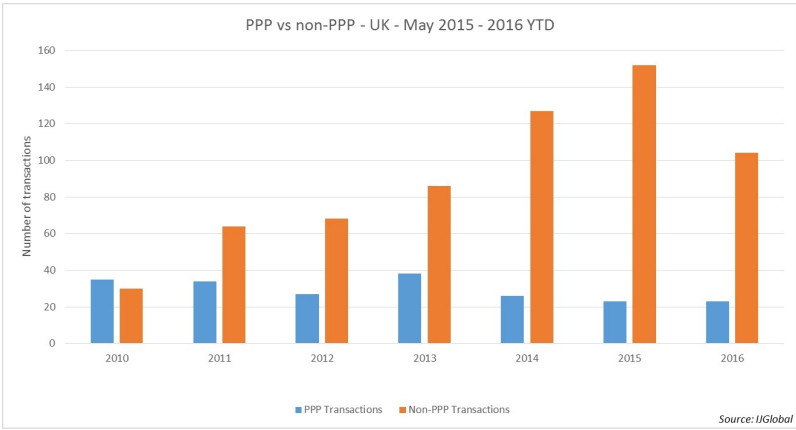
It is unlikely. It is now commonplace in UK politics for the government’s major announcements to be leaked prior to the official statement. It has already made its decision on Hinkley Point C, approved the third runway at Heathrow and outlined its plans for phase 2 of HS2. This week it was also revealed that the Treasury will announce £1.3 billion of investment in UK roads and a £1 billion pledge for investment in broadband.

Whether the Treasury has left anything else in the bag for UK infrastructure remains to be seen.

The lack of pipeline is a constant gripe for UK infrastructure professionals. According to *IJGlobal* data there have been only 17 new transactions launched to the market since this conservative government formed in May 2015.

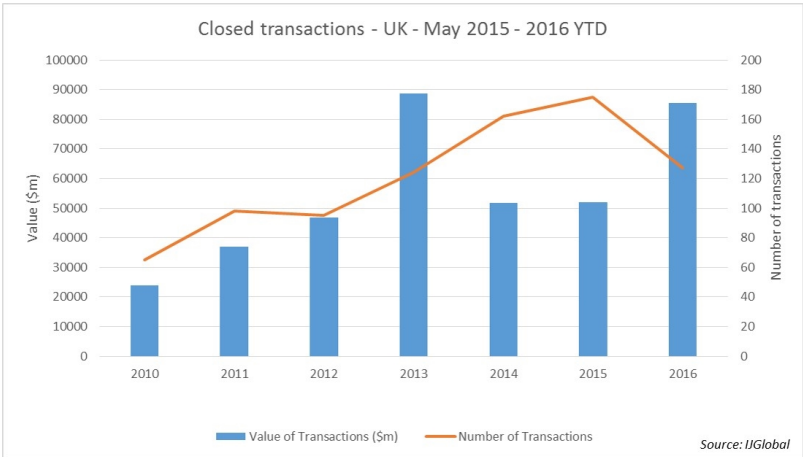


The PPP model of procurement has also fallen out of favour with the UK public. According to data from *IJGlobal* only 23 projects to close this year have been procured as a PPP.



In the absence of a comprehensive and varied infrastructure stimulus package the UK government has aimed to

demonstrate its commitment to infrastructure with its support for mega projects. In 2016 to date 127 transactions have reached financial close, but the value of these transactions is almost 40% more than the 175 deals closed in 2015.



The former chancellor George Osborne famously flip flopped on infrastructure, initially making cuts to infrastructure spending and then reversing the decision in a hope to stimulate the economy. Let’s hope the current chancellor can give the private sector a promising pipeline for development.

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