



Infrastructure
and Projects
Authority

Analysis of the National Infrastructure and Construction Procurement Pipeline 2020/21

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Reporting to Cabinet Office
and HM Treasury



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Ministerial Foreword

This new National Infrastructure and Construction Procurement Pipeline comes at a moment of pandemic crisis without precedent in recent times.

Construction workers across the country have played a vital role in keeping this country running during the COVID-19 pandemic. Much of their work is critical in supporting people's everyday lives. This ranges from building hospitals, to maintaining crucial transport and utilities networks, and ensuring buildings are kept safe.

Work on much of the country's essential infrastructure has not been stalled by the current crisis. Due to the effects of lockdown, infrastructure projects have been able to take advantage of the reduced car traffic to make crucial repairs to roads. This includes key schemes being brought forward to achieve Government priorities such as the A14 in Cambridgeshire, where £20 million of work was completed over the Easter weekend, helping the project to open to traffic early.

The Government's ambition to continue investing in the country's infrastructure was set out at Budget 2020 and is reaffirmed by the scale of procurements included in this pipeline. Between £29 billion and £37 billion of contracts across economic and social infrastructure will be brought to market over the next year. By publishing this pipeline now, with project information at a more granular level than ever before, we want to provide industry with better visibility and certainty of current and future project flow, in order to help companies rebound from this crisis.

The Government is deeply serious about working with partners and across sectors to improve the delivery of projects, and to use its purchasing power to increase productivity and drive innovation in infrastructure. This will be a central pillar of our National Infrastructure Strategy, to be published later this year as well as a full 10 year projection of spend in a National Infrastructure and Construction Pipeline.

The infrastructure and construction sectors are and will continue to be essential to our country's recovery. The wellbeing and prosperity of everyone in the UK depend on how we rebuild our economy, and transform our infrastructure and public services.



Lord Agnew

Minister of State for the Cabinet Office
and Her Majesty's Treasury



Rt Hon Jesse Norman MP

Financial Secretary to the Treasury

Chief Executive Foreword

This year has already brought unprecedented challenges for the construction sector. COVID-19 has had a global impact in ways we could not have foreseen and the construction sector is no exception.



Government is committed to working collaboratively with industry to ensure that it emerges from this crisis with the capability and capacity required to support the economic rebuilding that will be necessary. This collaboration has already been demonstrated in the initial response to COVID-19, which saw government and industry working together on a number of initiatives including issuing guidance on responsible and fair contractual behaviours.

As we move into recovery and renewal, we must take forward this way of working if we are to be successful in our ambition to ensure the construction industry not just survives but thrives.

The National Infrastructure and Construction Pipeline published in 2018 set out the UK's planned infrastructure investment to 2021 and beyond. In response to COVID-19 and subsequent requests from industry to provide short to medium-term certainty, this National Infrastructure and Construction Procurement Pipeline goes a step further by setting out contracts planned to be brought to market throughout 2020/21.

The procurement pipeline includes 340 procurement contracts across over 260 projects, programmes and other investments. It also sets out procurements with an estimated contract value of up to £37 billion over the next year.

By publishing this procurement pipeline we are able to provide visibility of where infrastructure investment is being made and by whom. In publishing projections of short term procurement, we aim to boost market confidence and help the sector with business planning during this challenging period. In addition, we will seek to publish a full National Infrastructure and Construction Pipeline later in the year.

We cannot afford to waste the opportunity presented as the sector recovers to do things faster, more effectively and more productively. For this reason, the IPA continues to focus on working with industry to implement our Transforming Infrastructure Performance (TIP) Programme. The Programme aims to ensure we are making the most of this pipeline of investment by addressing some of the key challenges to improving productivity.

The Industry Recovery Plan published by the Construction Leadership Council sets out a way forward and we look forward to working collaboratively to develop the proposals further. Applying TIP and tools published by the IPA will create a step change in performance to help industry emerge from this crisis in a stronger position.

Government will continue to procure new work to support the economy and build resilience. There is a winning capability in the UK, and by government and industry working together to expand this we will support the sector to grow and thrive.

Nick Smallwood

Chief Executive, Infrastructure and Projects Authority

Up to
£37
billion

of planned procurements
over the next year

Including
340

procurements across

more than
260

projects and programmes

To deliver construction, repair & maintenance
and consultancy services

Summary

1.1 Continuing to progress the UK's ambitious infrastructure plans in all parts of the country is vital to the recovery of the construction sector and the economy as a whole from the impact of COVID-19.

1.2 The National Infrastructure and Construction Pipeline, last published in 2018/19, provides long-term visibility of where economic and social infrastructure is being planned and who is building it. This separate **procurement pipeline** brings together the details of planned procurements for the 2020/21 financial year to provide visibility across all sectors. This will help industry to make informed decisions as it recovers from the impact of COVID-19.

1.3 This analysis document, published alongside the procurement pipeline data, provides insights across the wide range of infrastructure the UK is planning to procure over the coming year. The procurement pipeline workbook contains details for more than 260 projects and programmes with procurements planned for this year, and can be found at the link below.¹

What is included in the procurement pipeline?

1.4 The procurement pipeline is made up of work packages, projects and programmes that are planned to go out to market for procurement throughout the 2020/21 financial year. The procurements contained within the **pipeline have an estimated total contract value of between £29bn and £37bn.**

1.5 Projects where contracts have already been awarded or where funding has already been drawn down will not be included in the procurement pipeline. Projects in the early stages of development are also not included in the procurement pipeline for 2020/21. This pipeline sets out those procurements that are planned to go to market in 2020/21, some of which will be awarded within this financial year and others to be awarded in future years.

1.6 Where ranges are used, this reflects the difference between the estimated minimum and maximum contract value. Where ranges are not used, this is because the difference in estimated contract value is negligible or a range has not been provided.

1.7 The procurements in this pipeline include a broad range of works across infrastructure and construction such as:

- construction work including building, design & build and civil engineering contracts;
- repair and maintenance services;
- architectural, construction, engineering and inspection services; and
- consultancy services.

¹ <https://www.gov.uk/government/publications/national-infrastructure-and-construction-procurement-pipeline-202021>

1.8 The level of detail included in the pipeline varies for different projects and programmes. Where information is available for the individual work packages that make up projects and programmes this has been provided. Some projects and programmes will therefore have multiple procurements included in the procurement pipeline workbook.

1.9 Data comes from a range of sources including government departments, Devolved Administrations, Local Authorities and other organisations². IPA has collated and published this information to provide clarity to industry and support their short and medium term planning.

² As with the publication of the National Infrastructure and Construction Pipeline the IPA has sought to gather data from a range of sources. Due to the urgent need to provide visibility of new work IPA's focus has been to set out planned procurements across central government departments and where possible, supplemented this with data from local authorities and the private sector.

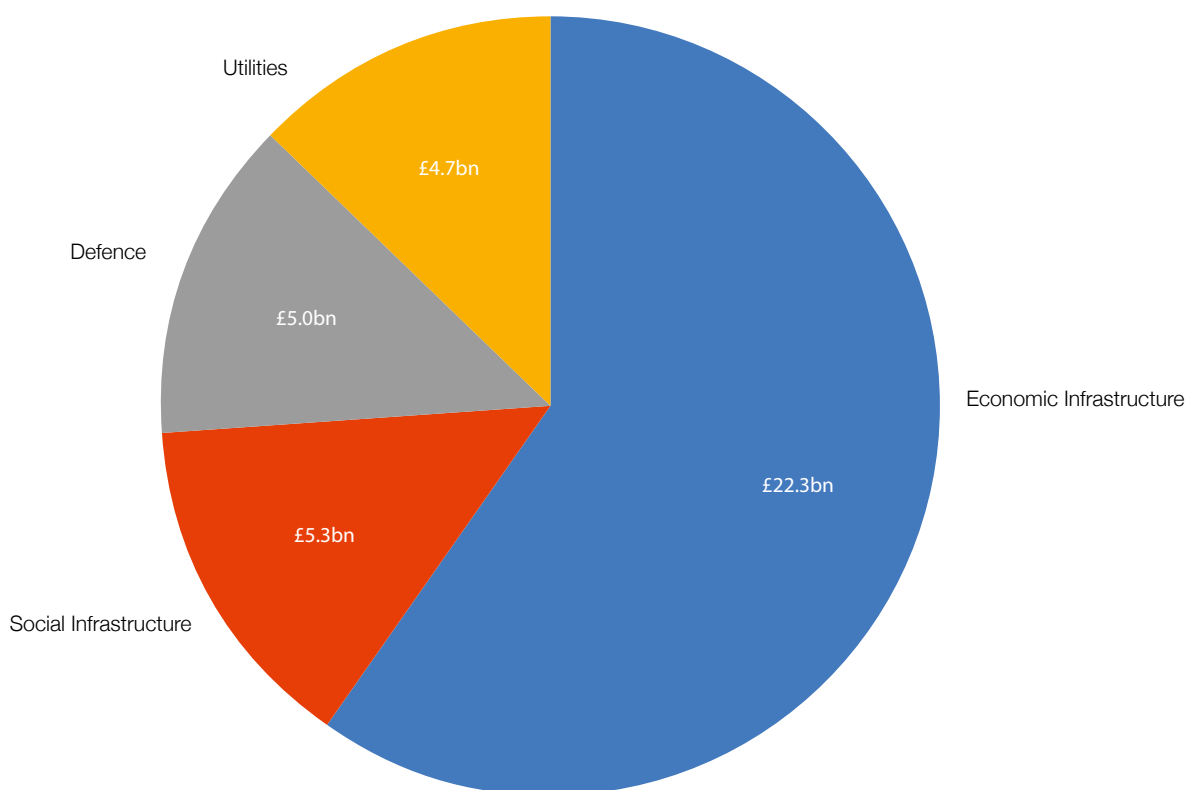
Analysis of the 2020/21 procurement pipeline

2.1 The total value of contracts included within the procurement pipeline, across economic and social infrastructure, ranges between £29 billion and £37 billion.³ This covers 340 procurements across 173 individual projects and 95 programmes.

Procurement in 2020/21 by sector

2.2 This pipeline brings together procurements across social and economic infrastructure sectors including transport, energy and digital infrastructure. Social infrastructure incorporates nine sub-sectors including education and health. Chart 1 below shows the maximum estimated value of contracts included in the 2020/21 procurement pipeline, split by economic and social infrastructure, defence and utilities.

Chart 1: Estimated maximum contract value of procurements in the pipeline by sector (£'bn)



³ In this report economic infrastructure includes Transport, Energy, Digital Infrastructure, Science and Research, Waste and Floods and Coastal Erosion. This is different to the definition of economic infrastructure in the National Infrastructure Commission’s fiscal remit, which only includes public investment in Transport, Flood and Coastal Erosion, Digital Communications and Waste. In this report, social infrastructure includes Cabinet Office, Culture, Work and Pensions, Rural Affairs, Justice and Security, Education, Healthcare, and Housing and Regeneration.

2.3 Chart 1 (on page 10) shows that economic infrastructure accounts for more than half of the estimated value of planned procurements ranging from a minimum of £14.0bn to a maximum of £22.3bn. The remaining estimated value of planned procurements is split almost equally between social infrastructure (£5.1bn - £5.3bn), defence (£5bn) and regulated utilities (£4.7bn)⁴. A more detailed breakdown of procurement by sectors is set out in Table 1 (below).

Table 1: Pipeline procurements by sector (£'m)⁵

Sector	No. of Procurements	No. of Projects	No. of Programmes	Estimated Minimum Contract Value (£'m)	Estimated Maximum Contract Value (£'m)
Transport	57	46	7	£12,690.3	£20,676.4
Waste	10	-	10	£13.8	£13.8
Communications	3	-	3	£74.3	£74.8
Energy	9	9	-	£177.5	£397.5
Flood Defence	9	5	4	£999.6	£1,004.2
Science and Research	12	11	1	£81.8	£169.2
Defence	51	46	1	£4,963.2	£5,018.2
Utilities	36	8	28	£4,718.4	£4,733.7
Social Infrastructure	153	48	41	£5,060.9	£5,265.8
Total	340	173	95	£28,779.7	£37,353.6

2.4 Further detail on individual projects and programmes within each sector can be found in the procurement pipeline workbook.

Procurement in 2020/21 by work type

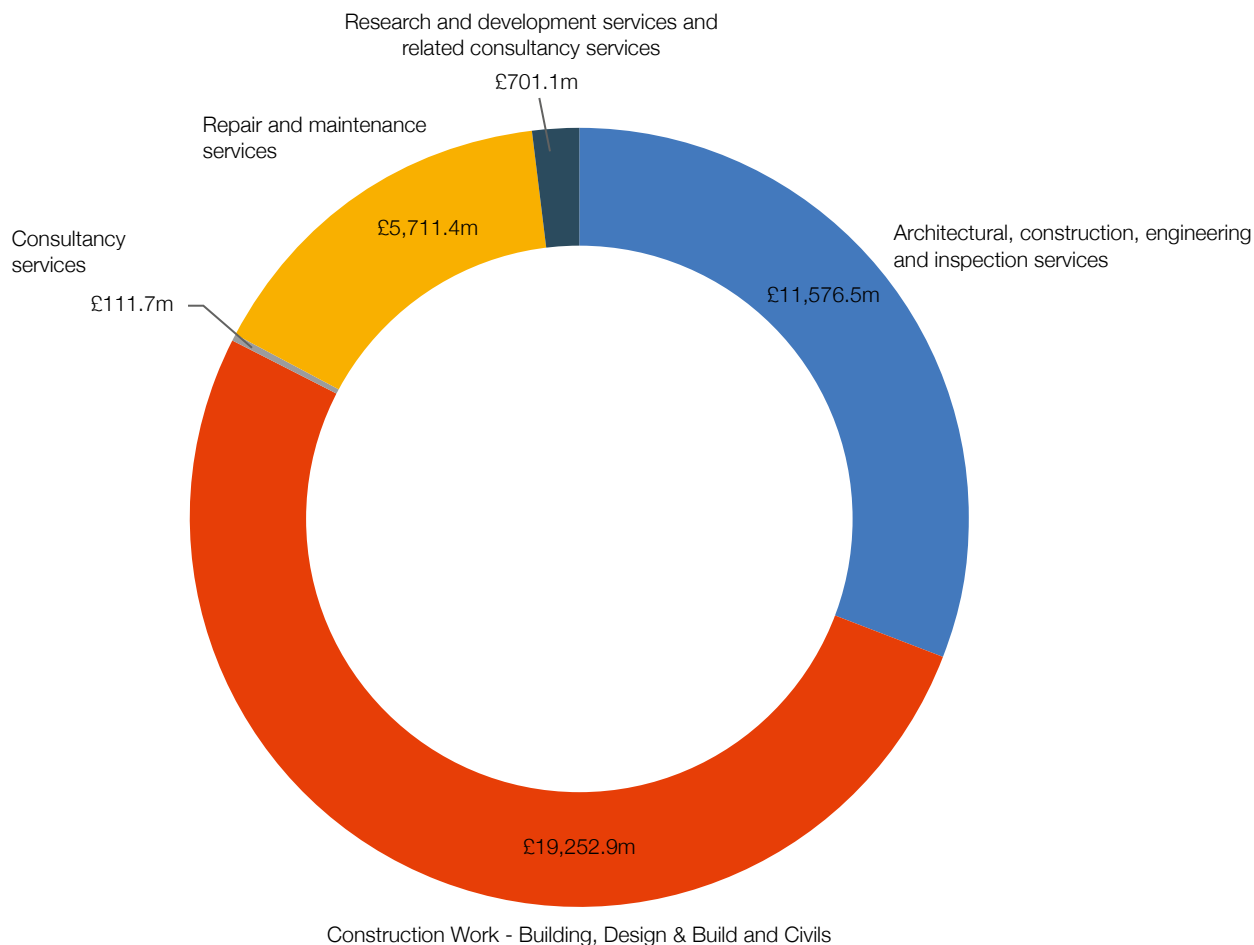
2.5 Procurements within the pipeline extend beyond the construction of critical infrastructure to repair and maintenance and consultancy, architectural and engineering services that will support the development of new schemes. Chart 2 (on page 12) splits out the procurement pipeline by the type of work being procured⁶.

⁴ Where ranges are used, this reflects the difference between the estimated minimum and maximum contract value. Where ranges are not used, this is because the difference in estimated contract value is negligible or a range has not been provided.

⁵ Where information is available for the individual work packages that make up projects and programmes this has been provided. Some projects and programmes will therefore have multiple procurements included in the procurement pipeline workbook.

⁶ Types of work are based on Common Procurement Vocabulary.

Chart 2: Estimated maximum contract value of procurements in the pipeline by work type (£'m)



2.6 Construction work including building, design & build and civil engineering makes up over half of the work going out to market in 2020/21. Of the remaining estimated contract value, £7.9 billion to £11.6 billion is architectural and engineering services, £0.6 billion to £0.8 billion is research and development and consultancy services and £3.2 billion to £5.7 billion is repair and maintenance services.

Contract awards in 2020/21

2.7 Contracts with an estimated value of between £18 billion and £20 billion are planned to both commence procurement and be awarded within the 2020/21 financial year as shown in Table 2 (on page 13). This includes nearly £2 billion of contract opportunities that are planned for the first half of the year. The majority of contracts to be awarded in 2020/21 will be awarded in the second half of the year, given the time required to commence and complete full tendering processes. The full breakdown can be found in the procurement pipeline workbook⁷.

⁷ <https://www.gov.uk/government/publications/national-infrastructure-and-construction-procurement-pipeline-202021>

Table 2: Contract value of pipeline procurements planned to commence and be awarded in 2020/21 (£'m)

Contract Award Date	Estimated Minimum Contract Value (£'m)	Estimated Maximum Contract Value (£'m)
Q1 2020/21	£684.4	£741.6
Q2 2020/21	£1,001.9	£1,211.8
Q3 2020/21	£1,108.9	£1,446.7
Q4 2020/21	£7,011.7	£8,611.2
Multiple award dates in 2020/21	£8,141.0	£8,152.0
Total	£17,948.0	£20,163.4

Projects and programmes in the procurement pipeline

MIDLANDS ENGINE:

- 10 new build schemes under the Free Schools Programmes
- HS2 Phase One Curzon Street design and build.
- Glen Parva and Wellingborough Prisons
- Ongoing investment in maintenance and improvements to water supply infrastructure under AMP7

NORTHERN POWERHOUSE:

- A66 Scotch Corner to address lack of East - West connectivity
- Manchester North West Quadrant
- 9 new build schemes under the Free School Programme
- Ongoing investment in maintenance and improvements to water supply infrastructure under AMP7

EAST OF ENGLAND:

- A12 Chelmsford to A120 Widening - a new wider carriageway between junction 19 and junction 22
- A428 Black Cat to Caxton Gibbet
- Ongoing investment in maintenance and improvements to water supply infrastructure under AMP7
- 2 new build schemes under the Free School Programme

SOUTH WEST:

- A303 Amesbury to Berwick Down main works construction
- DEFUEL 23 delivery of Swiftsure and Trafalgar Class submarine defuel capability
- 7 new build schemes under the Free School Programme
- Bristol Flowers Hill Relocations

SOUTH EAST AND LONDON:

- National Fusion Technology Platform erection of research facilities and offices.
- National Portrait Gallery refurbishment
- Lower Thames Crossing
- 4 new schemes under the Priority School Building Programme

SCOTLAND, WALES AND NORTHERN IRELAND:

- The majority of infrastructure investment is devolved to each administration. While the Devolved Administrations are included within this procurement pipeline, procurement policy remains within each Devolved Administration's remit (see Annex A for further information).



Annex A: Devolved Administrations

The procurement pipeline contains projects and programmes distributed across the UK but the majority of the value of the procurement pipeline relates to spending in England. This is because most infrastructure spending in Scotland, Wales and Northern Ireland is the responsibility of each devolved administration. For the purpose of this publication, where applicable, the IPA has included procurements set out in:

- The Northern Ireland Executive's Investment Strategy for Northern Ireland 2011-2021 sets out the forward programme for investment in public infrastructure. Details of government funded infrastructure contracts that have not yet entered procurement are also updated quarterly in the Infrastructure Investment Pipeline.⁸
- The Scottish government published an Infrastructure Investment Plan with a Project Pipeline in 2015 with an updated Project Pipeline in April 2020.⁹
- The Welsh government published an Infrastructure Investment Plan in 2012 with an updated Project Pipeline published in November 2019.¹⁰

Sector	Devolved administration		
	Scotland	Northern Ireland	Wales
Road	Devolved responsibility	Devolved responsibility	Devolved responsibility
Rail	The Scottish government is responsible for internal services. The UK government is responsible for cross-border daytime services	Devolved responsibility	Not devolved
Airports	Devolved responsibility. The regulation of air services is a reserved matter	Devolved responsibility	Devolved responsibility,
Ports	Devolved responsibility, with some minor exceptions	Devolved responsibility	Devolved responsibility, with some minor exceptions
Energy	Not devolved	Not devolved	Not devolved
Communications	Not devolved	Not devolved	Not devolved
Water	Devolved responsibility	Devolved responsibility	Devolved responsibility
Flood Defence	Devolved responsibility	Devolved responsibility	Devolved responsibility
Waste	Devolved responsibility	Devolved responsibility	Devolved responsibility
Housing	Devolved responsibility	Devolved responsibility	Devolved responsibility

⁸ <http://isni.gov.uk/PDFs/Investment%20Strategy.pdf> - most recently updated 10 June 2020.

⁹ <https://www.gov.scot/publications/infrastructure-investment-plan-2015-progress-report-2018-19/>

¹⁰ <https://gov.wales/wales-infrastructure-investment-plan-project-pipeline-2019>

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