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## Cable: government should be judged on projects going ahead

21 September, 2012 | By [Tom Fitzpatrick](#)

Business secretary Vince Cable has said voters at the next election should consider “how many projects are underway” when they are voting.

Mr Cable was asked how industry should assess the coalition government’s record when the next general election is held, [at a Water UK conference on infrastructure this week](#).

He said: “We would want you to assess how many projects are underway; though a lot have long lead times and won’t produce results straight away.

“We need to produce a framework that the next government, whoever that is, will be confident working with, and not by reinventing the wheel.”

He also admitted that the massive UK infrastructure deficit will fall, in part, to taxpayers to fund with private finance vehicles like pension funds looking for returns on investment.

He said: “It will be a mix of increased charges for users and co-financing [from government].”

A [CBI/KMPG survey released this week](#), showed that three quarters of firms don’t expect to see any improvement in transport networks over the next five years, while two-thirds said energy and water infrastructure is unlikely to improve in that time.

Mr Cable admitted that the government is coming under increasing pressure to start building infrastructure rather than setting out new policies aimed at unlocking problems in financing, planning and building infrastructure.

He said: “Deliver, deliver, deliver is becoming the mantra for business and quite rightly so. But there are some areas where there are a series of bottlenecks. We have a cabinet committee chaired by the chief secretary where we are trying to track 30 major infrastructure projects we are committed to and identifying on a monthly basis where they are stuck.

“Because of finance problems in terms of cash flow there is a limit to what we can do but we have a role in ensuring projects go ahead.”

Meanwhile a report released by the Association of Consultancy and Engineering last week raised concerns over the Green Investment Bank’s ability to gain borrowing powers in the future.

The report said that as borrowing powers were dependant on public borrowing falling as a percentage of GDP, revision to earlier GDP projections meant that additional pressure on the public purse could delay the bank’s ability to operate with borrowing powers.

ACE chief executive Nelson Ogunshakin said: “With the UK in recession again, and with the deficit not falling as fast as government hoped, the Green Investment Bank is unlikely to gain much needed borrowing powers until much later than originally planned.

“This is disappointing for industry. Investment is needed to drive growth and raise the standards and sustainability of the UK’s infrastructure and the Green Investment Bank’s borrowing powers had the potential to leverage

significant private investment.”

Mr Cable added his voice to the concerns, and stated that the problem lay with the Treasury being reluctant to commit to “open-ended liability”.

He added: “I can’t totally commit whoever is doing my job in 2016 [to the GIB having borrowing powers]. The criticism from opposition has been that we have not set it free sooner. There is a big problem; the Treasury is reluctant to have open-ended liability... so it will have to be watched carefully.

“But there is enough buy-in and will to make it work, there are certainly enough projects and things to do so I’m confident it will get borrowing powers.”

Mr Cable added that he hoped to have authorisation for the Green Investment Bank “very soon” and that the bank already had a “substantial pipeline of projects building up of which we are looking for private partners”.

On financing, Mr Cable admitted that problems with long-term bank financing may now become systemic because of tighter standards demanded on financing by regulators.

He added that while progress on infrastructure has in parts been “painfully slow”, that the reforms being put in place by the government will lead to a “new and much better way of doing infrastructure than we have had in the past”.

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