

Rishi Sunak reviewing Northern Powerhouse Rail and other infrastructure projects

Major infrastructure projects including a major high-speed rail line in northern England are being reviewed as Rishi Sunak tries to find £50 billion in savings and tax hikes.


Business Secretary [Grant Shapps](#) hinted [Northern Powerhouse Rail](#) would be scaled back amid confusion over the commitment to a new nuclear plant in Suffolk.

A senior Treasury source stressed they were rethinking “all capital spending” after an official told the BBC: “We are reviewing every major project – including Sizewell C.”

But others, along with sources in the Department for Business, Energy and Industrial Strategy, insisted Sizewell C was not being scrapped or delayed.

A Government spokesman said they are “seeking to approve at least one large-scale nuclear project in the next few years”.

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Chancellor [Jeremy Hunt](#) and the Prime Minister are looking for

sweeping cuts ahead of the November 17 budget, as the Bank of England warns of the longest recession on record.

The manifesto the Conservatives won the 2019 election on promised Northern Powerhouse Rail between Leeds and Manchester.

[Liz Truss](#) backed the line while prime minister, and Boris Johnson boasted of its achievement in his farewell speech from Downing Street.

But Mr Shapps told the BBC: “The line itself can deliver a 33-minute journey from Manchester to Leeds, quadruple nearly the capacity of that line, and do so without having to wait an extra 20 years beyond the delivery of what the upgrade can do.

“There wasn’t really much point in going and blasting new tunnels through the Pennines.

“It’s not true to say we’re not delivering on what we said we would do on levelling up the north.”

Negotiations on the multi-billion Sizewell C project set to be built north-east of Ipswich are understood to be ongoing, with energy firm EDF behind the construction.

Mr Johnson promised £700 million of taxpayer funding to the project in his final policy speech in early September.

Energy independence is also a core focus of the Government because of Russia’s war in Ukraine, making axing the project an unpalatable choice for the new leadership.

A Government spokesman insisted that delivering “infrastructure to improve everyday life for millions of people” remains “a priority”.

“HS2 is under way, within budget, and supporting 28,000 jobs, we are also seeking to approve at least one large-scale

nuclear project in the next few years and aim to speed up the delivery of around 100 major infrastructure projects across the UK," he added.

The UK's financial outlook has grown more dire, with the Bank hiking interest rates for the eighth time in a row, going from 2.25% to 3% on Thursday.

The decisions around the mini-budget were taken principally by the then-prime minister and to a lesser extent the then-chancellor

Among other moves being considered by Mr Hunt is an increase in capital gains tax on the sale of assets such as shares or bonds.

The Government's job has only been made harder by the disastrous mini-budget unleashed by Ms Truss and Kwasi Kwarteng, when they were prime minister and chancellor.

Questions remain for individuals in Mr Sunak's Government, with his policing minister [Chris Philp](#) having been chief secretary to the Treasury under Mr Kwarteng.

On Friday he refused to apologise for his role in the financial statement that unleashed turmoil in the financial markets and threatened the UK economy.

Instead he sought to apportion maximum blame on Ms Truss, telling BBC Breakfast: "The decisions around the mini-budget were taken principally by the then-prime minister and to a lesser extent the then-chancellor."