# Chancellor Rachel Reeves announces major infrastructure cuts amid fiscal controversy



**Chancellor Rachel Reeves Announces Major Infrastructure Cuts Amid Fiscal Controversy**

**London, UK – 29 July 2023:** Chancellor of the Exchequer Rachel Reeves has unveiled a series of significant cuts to UK infrastructure projects, citing a £20 billion fiscal deficit inherited from the previous Conservative government. Announcing the cuts in Parliament this afternoon, the Chancellor revealed that numerous national projects would be halted while cautioning that additional tax increases may be on the horizon.

**Stonehenge Tunnel and Road Projects Scrapped**

Among the high-profile projects facing the axe is the controversial Stonehenge Road Tunnel, a £1.7 billion scheme designed to reduce congestion and noise pollution near the World Heritage Site. The project has faced substantial opposition from heritage campaigners, who argue it would irreversibly damage the landscape. UNESCO officials have similarly voiced concerns that the tunnel could "compromise the integrity" of Stonehenge.

Additionally, the A27 Arundel bypass, which was initially promised to alleviate congestion, has been scrapped. Labour had highlighted in their manifesto that the bypass presented poor value for money. Environmental groups such as the Sussex Wildlife Trust have opposed the project, citing potential irreversible environmental damage.

**Cancellation of Railway Revival and HS2 Modifications**

The Labour government is also cancelling the "Restoring Your Railways" programme initiated by former Prime Minister Boris Johnson. The £500 million scheme aimed to reopen numerous defunct railway lines across England to improve connectivity. Despite the ambition, only the Dartmoor line from Exeter to Okehampton has been realised since the programme's inception in 2019. Chancellor Reeves announced that the Transport Secretary, Louise Haigh, would review all ongoing railway projects, with others expected to be halted to save £85 million next year.

Further cuts include the scaling back of the HS2 project, specifically the Euston branch. The line may now terminate at Old Oak Common in outer London, shifting the final leg of journeys onto the Elizabeth Line. This adjustment aims to curtail overall project costs.

**Hospital Construction and Property Sales**

Wes Streeting, the Shadow Health Secretary, has indicated that the ambitious plan to construct 40 new hospitals across the country may be unachievable within the current fiscal constraints. The National Audit Office recently pointed out that many of these hospital projects were failing to deliver value for money. Instead, the Chancellor has hinted at the possibility of a major sell-off of government-owned land and properties, such as those owned by the Ministry of Defence, NHS, and Network Rail, to raise additional funds.

**Local Reactions and Immediate Implications**

The Portishead railway project, part of the Metrowest transportation initiative, is under threat as a result of these cuts. North Somerset Council, which had secured £15.5 million in funding and pledged an additional £10 million, is now left in uncertainty about the project's future. Council leader Mike Bell expressed disappointment but remains committed to the scheme. Labour's recently elected North Somerset MP, Sadik Al-Hassan, voiced his concerns, emphasizing the project's importance for local transport connectivity.

Compounding the infrastructure cutbacks, the A303 tunnel near Stonehenge has also been shelved. The Stonehenge Alliance, a prominent campaign group, welcomed the halt, recognising the potential to prevent significant damage to the historic site.

**Economic and Political Fallout**

Criticism has emerged from various political quarters, including Conservative MPs and members of Labour's own bench. The NHS Confederation has stressed the importance of moving quickly to resolve the condition of existing hospital facilities plagued by issues such as reinforced autoclaved aerated concrete (Raac). Others fear the broader economic implications, warning that delays in construction could hinder UK growth prospects.

In response to the cuts, Chancellor Reeves acknowledged the necessity of these measures while reaffirming Labour's commitment to reviewing and prioritising projects that offer superior value for taxpayers. "If we cannot afford it, we cannot do it," she stated, setting the tone for what is expected to be a contentious and challenging fiscal period.

Despite significant pushback, the Labour government continues to defend its decision, asserting that it is an unavoidable step to stabilise the nation's finances and realign public spending with economic realities.