

# TRANSPORT

## Briefing

[Front page](#)[News & analysis](#)[Intelligence & resources](#)[Agenda & monitors](#)[Power 200](#)[Subscribe](#)[About](#)[News](#)[Analysis](#)

## Northern line extension is next for UK Guarantee

Posted 05/12/12

Chancellor of the Exchequer George Osborne today agreed a public loan of up to £1bn to finance the extension of the London Underground Northern line to Battersea Power station.

The project, to create a spur from Kennington to new Tube stations at Nine Elms and Battersea, has been championed by the Mayor of London who says the scheme will support his ambition to create 16,000 new homes in the Vauxhall/Nine Elms/Battersea Opportunity Area.

Making his Autumn Statement in the House of Commons on Wednesday George Osborne said: "I today confirm a billion pound loan and a guarantee to extend the Northern line to Battersea Power Station and support a new development on a similar scale to the Olympic Park."

Financial support for the Northern line extension will take the form of a UK Guarantee, a mechanism announced by the government in July 2012 (TB 8642) to shore up project finance with up to £40bn in guarantees and which is also expected to be used to buy Crossrail rolling stock (TB 8761). According to the Autumn Statement, UK Guarantees has received 75 enquiries from project sponsors to date and schemes with a capital value of around £10bn have pre-qualified as eligible for consideration of a guarantee. It will remain open for applications until 31 December 2014.

The Northern line guarantee will allow the Greater London Authority to borrow up to £1bn from the Public Works Loan Board to finance construction of the new line. As part of the funding deal, the government will work with the Mayor of London and the London boroughs of Lambeth and Wandsworth to create a zone in which the expected uplift in business rates, alongside developer contributions, will enable the Greater London Authority to repay the government loan for the Tube line extension.

Mayor Johnson said: "I am delighted that after months of intensive discussions and hard work we have got the go ahead from government on financing an extension to the Northern line, which is hugely significant as Nine Elms is one of the areas with the greatest prospect for new development in the whole of the capital. It will be an incredible confidence boost for developers preparing to invest there and it will also be a considerable boost for local people who will benefit from the new Tube link."

Officials from the Mayor's office and Transport for London will now finalise arrangements for financing the extension with the government. Construction could start in 2015 to have train services operational by 2020.

A consultation on the Northern line extension is currently underway ahead of an application for a Transport and Works Act Order being finalised in spring 2013.

*Battersea Power Station: plans to redevelop area could create 16,000 new homes*



### RELATED ARTICLES

[Chelsea agrees to fund Northern line extension](#)  
[Tube extension survives Battersea developer demise](#)  
[Power station fall-out scuppers Tube link plan](#)  
[AS11: Johnson welcomes support for London projects](#)  
[Battersea Tube link consultation gets underway](#)  
[Northern line extension property tax plans...](#)  
[Battersea Northern line funding package drawn up](#)  
[Clegg funding pledge gives Tube extension hope](#)  
[Northern line Battersea extension consultation...](#)  
[Battersea Underground extension paperwork drawn up](#)

## RELATED IMAGES



[News index](#) [Front page](#)

[Front page](#) [News & analysis](#) [Intelligence & resources](#) [Agenda & monitors](#) [Power 200](#) [Subscribe](#) [About](#)

---

Transport Briefing is published by [Acumen Intelligence Ltd](#). Unless otherwise specified all content © Acumen Intelligence 2012.  
We've been writing about transport infrastructure since 2002 - we also produce the [Crossrailnews](#) and [HS2 News](#) websites.  
Contact Transport Briefing: email [editor@transportbriefing.co.uk](mailto:editor@transportbriefing.co.uk) Follow us on Twitter [@transportb](#).