

New Bill to set up UK Infrastructure Bank announced in Queen's speech

- The UK Infrastructure Bank Bill is the final step in setting up the UK Infrastructure Bank as an operationally independent institution
- The Bill will remove legal obstacles so the Bank can lend directly to local authorities and the Northern Ireland Executive for infrastructure projects
- The Bank, launched in June 2021, is a key part of the Government's National Infrastructure Strategy and is already investing in infrastructure across the UK

The UK Infrastructure Bank was launched in interim form at its headquarters in Leeds in June last year. It was tasked with accelerating investment into ambitious infrastructure projects, cutting emissions and levelling up across the UK.

This Bill will complete the Bank's set up as an operationally independent institution and give it the power to lend directly to local authorities and the Northern Ireland Executive. It will also support the Bank's operational independence by setting out clear accountability for how it is to be run.

Since its launch, the Bank has completed five deals, including financing the UK's largest solar farm in south Wales, investing £100 million to provide high-capacity broadband to around 500,000 properties in hard-to-reach UK premises and a further £50 million to improve digital connectivity for rural homes and businesses across Northern Ireland.

John Glen, Economic Secretary to the Treasury, said:

Since its launch nearly a year ago, the Bank has already invested in important projects that will support people, businesses and communities across the UK.

This Bill sets out the Bank's long-term purpose as an enduring institution to continue to do this, helping tackle climate change and support levelling up.

The CEO of the UK Infrastructure Bank, John Flint, said:

We welcome the introduction of the UK Infrastructure Bank Bill, which underlines the government's commitment to our mission.

As the government moves to place the Bank on a statutory footing, we will now focus on the recruitment of people who are excited by our purpose, and who will ensure that the Bank delivers on its mandate.

The Bank is an essential part of the Government's National Infrastructure Strategy and will have £22 billion of financial capacity to invest in infrastructure to help tackle climate change and to support regional and local economic growth across the UK.

The UK Infrastructure Bank will have an initial £12 billion of capital to deploy and will be able to issue £10 billion of government guarantees, helping to unlock more than £40 billion of overall investment.

Working in partnership with local government and the private sector, the Bank will harness investment tailored to the needs of specific infrastructure projects, offering a range of financing tools including debt, equity, and guarantees.

Measures in the Bill will:

- Complete the Bank's set up as an operationally independent institution, able to deliver on its objectives effectively and with a clear long-term policy mandate. By enshrining the Bank's objectives and activities in legislation, the Bill will provide clarity for the Bank and the market as to the Bank's long-term purpose as an enduring institution.
- The Bill will also support the Bank's operational independence by setting out clear accountability for how it is to be run, including reporting and board requirements.
- Finally, the Bill will give the Bank the power to lend directly to local authorities and the Northern Ireland Executive which is one of the Bank's key activities.

Further information

The UK Infrastructure Bank has already completed five deals:

- investing £100 million to provide high-capacity broadband to around 500,000 properties in hard-to-reach UK premises
- Financing the UK's largest operational solar farm at Llanwern in south Wales and catalysing a £500m fund which could double the amount of subsidy-free solar power in the UK with Next Energy

- investing £107 million in the South Bank Quay development at Teesworks in Teesside (North-East England) supporting around 800 direct jobs
- partnering with the West Midlands Combined Authority (WMCA) to invest £10 million in phase 1 of the new Sprint Bus Route in Birmingham along the heavily congested A45 corridor
- investing £50 million as a co-lender to the broadband provider Fibrus, which is delivering high-capacity broadband to rural homes and businesses across Northern Ireland