



Light Rail (UK) Group

All Party Parliamentary Light Rail Group

House of Commons
London SW1A 0AA

Offices: Secretariat, James Harkins, 8 Beechmore, Moore, Warrington, Cheshire WA4 6UE



INFRASTRUCTURE BANK

[UKIB Strategic Plan 2022 - Executive Summary.pdf](#)

Strategic plan

This is our first strategic plan – it sets out how we will deliver on our mission.

The UK Infrastructure Bank is a new, government-owned policy bank, focused on increasing infrastructure investment across the United Kingdom. Our mission is to partner with the private sector and local government to increase infrastructure investment in pursuit of our two strategic objectives:

- to help tackle climate change, particularly meeting the government's net zero emissions target by 2050
- to support regional and local economic growth through better connectedness, opportunities for new jobs and higher levels of productivity

We launched, in interim form, in June 2021. Over the past year we have started to scale up our activity, increasing our capability and capacity. We have closed seven deals worth £610 million.

We will continue to build out the bank over the coming years. Our ability and bandwidth to tackle the infrastructure challenges set out in this plan will increase over time, as we recruit more permanent staff.

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This plan builds on the potential private sector opportunities in priority sectors discussion paper we published in January 2022. We tested this paper with over 100 stakeholders and their feedback has informed this plan. We will act in line with our operating principles: 1. Delivering on our triple bottom line: achieving policy objectives, crowding-in private capital and generating a positive financial return UK

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Extract of Executive Summary

Executive summary

2. Impact and credibility: we will focus our investments where we can maximise our impact
3. Partnership: we will collaborate with private and public sector stakeholders
4. Operational independence: we are wholly owned and backed by HM Treasury, but we have operational independence in our day-to-day activity
5. Flexibility: market conditions evolve, and we will change with them.

We will review our focus annually – adapting our approach and priorities. Our investment strategy is designed to be flexible and leverage our ability to invest across the capital structure. We will assess each deal on a case-by-case basis to identify the financing structure that best fits a deal's needs and supports the Bank's mission

What we offer We have an initial £22 billion of financial capacity.

We will aim to deploy up to £3 billion of debt and equity and £2.5 billion of guarantees a year, committing our £22 billion over the next five to eight years, subject to the pipeline of investable projects in each year.

Our private sector function will invest up to £8 billion and issue up to £10 billion of government guarantees. We will provide corporate and project finance and invest across the capital structure, including senior debt, mezzanine, guarantees and equity.

Our local authority function will lend up to £4 billion to local authorities at a preferential rate (gilts + 60bps) for high value and strategic projects of at least £5 million.

We will take a phased approach to building our advisory function as we scale-up our internal expertise. In the first phase, we will run a number of targeted pilot projects in partnership with local authorities to test where and how we can best add value

We have five priority sectors set by HM Treasury :-

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Clean Energy 2. <u>Transport</u> 3. Digital 4. Waste 5. Water | <ul style="list-style-type: none"> •finance electric vehicle charging infrastructure, working with both local authorities and private providers •finance local authorities to adopt zero emission buses •finance the procurement of green rolling stock •finance port infrastructure, particularly where it supports green industries •finance mass transit systems and infrastructure upgrades |
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