



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Via email

26th January 2023

Dear Colleagues,

### **UK Infrastructure Bank Bill: Report Stage**

I am writing to provide an update on the UK Infrastructure Bank (UKIB) Bill, ahead of Report Stage on 1 February.

### **UK Infrastructure Bank's Progress**

Alongside the update on the Bill, I am also pleased to offer an update on the Bank's progress since Committee Stage, as the Bank moves into its second year and continues to scale up and build capabilities. The UKIB published its first Annual Reports and Accounts on 24 November 2022, which showed strong progress in its inaugural year. As of 23<sup>rd</sup> January, the Bank has entered into ten deals worth over £1 billion, with the Annual Report setting out the Bank's activity across sectors including solar, digital and green transport.

The Bank also continues to develop its local authority (LA) advisory function with three pilot projects, partnering with Bristol, Greater Manchester, and West Yorkshire. They are providing important learnings for the Bank as it scales up to share commercial expertise with other LAs, and support them to find innovative ways to meet net-zero targets through financing infrastructure. The Bank's LA lending team continues to engage actively on future lending opportunities in advance of the final phase in the Bank's setup, when it gains the legislative powers necessary to lend directly to LAs.

### **Statutory Reviews**

I wrote to you on 29 November 2022 confirming my commitment to consider the appropriate time period over which statutory reviews of the Bank should be conducted. As you will recall, the Bill contains provisions in Clause 9 that require the Bank to undergo a review of its effectiveness in relation to achieving its objectives and its impact on climate change, regional and local economic growth, and crowding in additional private sector investment. This is to be carried out by an independent person and, as-drafted, the Bill requires that the first such review should take place within 7 years from when the Act comes into force, with subsequent reviews at intervals of every 7 years.

Having reflected on issues raised at Committee Stage, including the importance of ensuring the Bank is scrutinised adequately in its use of taxpayers' money and its effectiveness in achieving its objectives, I have now taken the decision to table an amendment on this issue. Specifically, I am seeking to shorten the subsequent review period intervals to 5 years. After allowing a longer period for the Bank to embed itself within the market, these shortened subsequent review periods will ensure the Bank is subject to sufficient scrutiny to assess its effectiveness and impact as it develops its pipeline. This period also correlates with one of the Bank's closest comparators, the Office for Budget Responsibility which has a similar review clause within its legislation, requiring the organisation and its reports to be reviewed once every 5 years by an independent person.

It is important to stress that this sits alongside other planned, non-statutory, reviews that will support the Bank's performance in its early years. This includes a review of the Bank's Framework Document, a strategic review covering progress and capital position, and reviews of Arms-Length Bodies led by the Cabinet Office.

I am grateful for your thoughtful contributions to the debate on this issue and hope you will welcome this amendment.

### **Devolution**

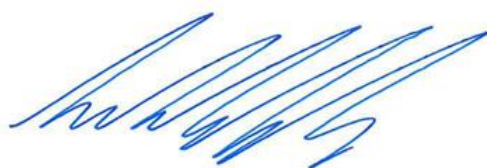
You will recall that the Bill legislates in areas of devolved competence and as such, engages the Sewel Convention. I'm pleased to confirm that following positive engagement with the devolved administrations throughout the Bill's passage, the Senedd Cymru [and the Scottish Parliament] have now granted Legislative Consent Motions. The current absence of a sitting Assembly and Executive in Northern Ireland means that it is not possible for the Northern Ireland Assembly to grant legislative consent in the usual way, but engagement at official level has been positive.

The Bank will be investing in infrastructure across every nation of the UK, and is continuing to build upon strong working relationships with stakeholders in each of the devolved administrations.

A copy of this letter will be deposited in the libraries of the House.

As ever, please don't hesitate to get in touch if you have any questions at [UKIBill@hmtreasury.gov.uk](mailto:UKIBill@hmtreasury.gov.uk).

Kind regards,

A handwritten signature in blue ink, appearing to read 'Andrew Griffith', is positioned above the printed name.

**ANDREW GRIFFITH MP**