

Paul Davies
Chair: Economy, Trade and Rural Affairs
Committee
Senedd Cymru

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Dear Paul,

Thank you for asking UKIB to attend the Green Economy inquiry on 22 May. It was great to hear the questions from members and see the interest in the Bank, and I hope you found my input useful.

In answer to the further questions please see below:

- 1) *The new First Minister of Wales has pledged to prioritise supporting the green economy in his manifesto. What should be his top investment priorities to start this work off, and why?*

As an Arm's Length Body, we are here to execute government policy rather than make it, so we wouldn't tend to recommend investment priorities. However, as I said in my evidence, governments can play a vital role in setting clear, stable and specific strategic direction that organisations like UKIB can then help execute against and crowd in private finance to support.

- 2) *The Welsh Government says it will face considerable budgetary constraints over the short-term. Are there any innovative approaches you think it should explore to help finance investment in its priorities?*

UKIB operates across the UK, and we are currently mobilising private finance at a ratio of about 1:3 so we play an important role in helping governments meet their investment objectives. We are very happy to work closely with the Welsh Government to think through how to design policy in any of the areas of infrastructure that sit within our mandate in a way that unlocks investment at pace.

- 3) *Please can you give us some more details on the Bristol City Leap private-public energy partnership that you said you had advised on in your evidence.*

The Bristol City Leap Energy Partnership is a Joint Venture (JV) between Bristol City Council and Ameresco that will enable the delivery of over £1 billion of investment in low carbon energy infrastructure. The JV can propose or respond to Council requested projects, develop associated business cases, and then deliver projects. As one of our pilot Local Authority Advisory projects, UKIB seconded one of our sector experts to support the City Leap project. Our role focused on assessing risk allocation, the deliverability of commercial models and supporting the development of concession agreements. By deploying our commercial and financial expertise, we helped the Council develop its thinking and governance arrangements to maximise the impact and benefit of the



partnership between the public and private sector. This is an example of the kind of no cost, impartial advice that UKIB can provide to local authorities who are considering or implementing complex partnership arrangements with the private sector. We can ensure the commercial, financial and governance arrangements for infrastructure projects is fit for purpose to maximise their impact and value for money.

I hope this answers the questions, but if there are any further queries, please do not hesitate to get in touch. Beyond that, if you believe the Bank can play a role in helping to address a specific problem in the priority sectors I outlined, please do bring it to our attention.

All the best

Kate McGavin
Chief Policy and Strategy Officer
UK Infrastructure Bank