

17<sup>th</sup> October 2022



# CECA Wales Monday Briefing

## *Increasing investment in infrastructure - the UK Infrastructure Bank*

From a CECA Wales perspective we've always called for increased investment in infrastructure, as you would expect! Given how interest rates are now creeping up and the prospect for increased government spending is diminishing by the day the time to borrow at low rates and invest to save seems to have passed, unfortunately. However, we still have the prospect of a UK Infrastructure Bank to bolster investment (unless of course there is yet another U-turn at Westminster?!).

The UK Infrastructure Bank is a new, government-owned policy bank, focused on increasing infrastructure investment across the United Kingdom. The creation of the bank was first announced by the UK Chancellor at the Spending Review in 2020 and the Bank was launched on a non-statutory basis on 17 June 2021. The UK Government is now seeking a statutory basis for the bank and is taking a Bill through the UK parliament. The stated purpose for the Bill is to place the Bank, which will operate on a UK wide basis, on a statutory footing and the stated policy objectives of the Bill are to set up the Bank to help tackle climate change and to support regional and local economic growth by providing access to financial instruments, including loans to local authorities to enable investment in infrastructure.

By placing the Bank on a statutory footing, the Bill seeks to :

- confirm and give statutory force to the Bank's objectives and activities;
- ensure the Bank is a long-lasting institution;
- create statutory forms of transparency, accountability and governance for the Bank;
- remove legal barriers to the Bank undertaking direct lending to local authorities; and
- grant specific powers to the Treasury to provide financial assistance to the Bank.

The mission of the bank itself is to partner with the private sector and local government to increase infrastructure investment in pursuit of two strategic objectives:

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

It was launched, in interim form, in June 2021 and over the past year the bank has started to scale up activity, increasing capability and capacity and seven deals worth £610 million have already been agreed. The plan is that the ability and bandwidth of the bank to tackle infrastructure challenges will increase over time.

Most would agree that anything that encourages and supports greater investment in infrastructure is a good thing. However, the bank will operate in areas which have been devolved to the Welsh Parliament (and similar for Scotland and NI) and the consent of the Senedd is required for the entirety of the Bill as the Senedd has competence to legislate in the same or similar terms in relation to Wales. In fact the main subject matter of the Bill, providing financial assistance and advisory support to projects relating to infrastructure ((to include water, electricity, gas, telecommunications, sewerage, railways (including rolling stock), roads or other forms of transport and climate change)), is a devolved area of the law. In the view of Senedd committees the Bill require legislative consent.

*Unfortunately, the UK Government has not been particularly respectful of devolution settlements but given the mess that Westminster finds itself in it would be easier all round if it took a pragmatic approach to this and sought consent from the parliaments in Wales, Scotland and NI so that we can all benefit from another source of investment to support infrastructure projects in Wales. We'll have to wait and see if pragmatism prevails!*

## CECA Wales Political Update

In terms of events at the Senedd :

### Transport and Infrastructure

- The [Finance Committee](#) and [Legislation, Justice and Constitution Committee](#) have published reports following scrutiny of the Welsh Government's Legislative Consent Memorandum on the UK Infrastructure Bank Bill.
- The Minister for Economy has approved funding for the Sêr Cymru programme - enhancing competitiveness infrastructure equipment award and supporting the National Research Networks.

- Andrew RT Davies MS has tabled a [written question](#) regarding the economic impact of the road-building freeze to date.
- The Welsh Government has [published](#) a range of information about active travel by people during April 2021 to March 2022.

#### Energy

- The Nuclear Decommissioning Authority has [announced](#) the signing of a Memorandum of Understanding with Cwmni Eginog to support their development of a new small scale nuclear project in North Wales.
- On [Tuesday 18 October](#), Senedd Members will debate the Climate Change, Environment and Infrastructure Committee's report on renewable energy in Wales.

In terms of events at Westminster, there has been little discussion on infrastructure matters in Wales although the Department for Business, Energy and Industrial Strategy has published a cooperate report entitled *UK nuclear safeguards support programme: report on activities and progress 2016 to 2021* which includes initiatives and developments in the UK's support for the upkeep of the global regime of nuclear safeguards, including technical non-proliferation assistance.

### CECA Wales Director Activities

My activities over the last week included :

- Preparing for the CECA Wales Annual Dinner and Awards
- Jointly hosting drop in sessions at the Senedd with the Association of Consulting Engineers to discuss infrastructure matters with Senedd Members
- Meeting with the SEWales Highways Frameworks Governance Board to review the current framework and check progress on the new framework's development
- Launching the new CECA Wales programme of NEC4 workshops for members
- Submitting a CECA Wales response to the Welsh Government consultation on the proposed National Transport Delivery Plan
- Meeting members to discuss concerns

### Client engagement and business opportunities

Last week I was joined by members of the Association of Consulting Engineers as we jointly meet with Members of the Senedd to discuss infrastructure matters including impacts on businesses. I will be issuing a blog on this shortly.

I also met with the SEWales Highways Frameworks Governance Board to review the current framework and check progress on the new framework's development

Please contact me if you would like to discuss any of these engagements and/or let me know if you would like to raise any specific matters with specific clients in the future and I will plan further activities for the Autumn period.

### Training Events

Please note that our events programme for 2022 is over half way through but we are currently assessing the need for membership training in **Carbon Management** and will announce proposals in the near future. Please check out our website for further updates <https://www.ceca.co.uk/wales/events/> .

We are also preparing a series of webinars on social value opportunities and sources of support for CECA Wales members. We hope to host these in over the Autumn/Winter period.

Our next programme of **NEC4 workshops** for members is underway and members have been contacted separately to secure places on this next programme of courses. Please be assured that, as always, we will ensure that all CECA Wales members will be able to access these courses but please keep an eye out for further announcements via these briefings and our website.