



Green Finance Webinar

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Core Objectives & Investment Principles

The Bank's core objectives are to:

1. Help **tackle climate change**, particularly meeting our **net zero emissions target by 2050**;
2. Support **regional and local economic growth** through better connectedness, opportunities for new jobs and higher levels of productivity

The UK Infrastructure Bank has 4 **Investment Principles** it will deliver against when supporting Local Authorities. These are:

1. Supporting the Bank's objectives to drive regional and local economic growth or support tackling climate change.
2. Investing in infrastructure assets or networks, or in new infrastructure technology.
3. Delivering a positive financial return, in line with the Bank's financial framework.
4. The investment is expected to crowd in significant private capital over time.



Local Authority Lending

- Ability to lend to Local Authorities to support infrastructure projects that deliver against UKIB's objectives
- UKIB currently lends through the Public Working Loans Board (PWLB), but should be able to lend directly in the future
- The UKIB has **up to £4bn** in capital to lend to Local Authorities
- We are able to offer loans at **gilts +60bps** (which is 20bps lower than the PWLB rate)
- We can offer **flexible interest payments** and the option of **payment holidays** to meet project demands.
- Projects must have a **minimum value of £5m**

Advisory Function (in early stage development)

- UKIB are establishing an Advisory Function within its Local Lending Division
- Our advisory function will advise local authorities across different sectors and projects **build capacity to deliver ambitious, innovative and high quality infrastructure projects**
- We plan to work on **early stage structuring**, sharing knowledge and connections
- We will take an open-source approach to **developing effective financing models**

Our priorities

- The UK Infrastructure Bank has identified the five key priority sectors that the bank will support:

Clean energy, Transport, Water, Waste & Digital

- This will include projects that help accelerate the UK's transition to clean energy, including energy efficiency retrofitting and decarbonisation schemes.
- The Bank is not able to support projects that are predominantly social or cultural infrastructure, but is able to consider support for these projects providing there is a substantial economic component
- Types of projects we can support include:
 - Retrofit
 - Regeneration
 - Transport
 - Green energy



"The UK Infrastructure Bank will accelerate our ambitions for tackling climate change and levelling up, while creating new opportunities across the UK as part of our Plan for Jobs."

Rishi Sunak
Chancellor of the Exchequer

Case Study: South Bank Quay, Teeside

- The Bank's inaugural transaction in October 2021 for £107m to the Tees Valley Combined Authority (TVCA).
- Financing for a [450-metre quay to service the offshore wind sector](#), providing opportunities for manufacturing, storage and mobilisation of wind technology on the former Redcar Steelworks site along the River Tees.
- SeAH have been secured as an anchor tenancy and plan to build a multimillion-pound wind turbine blade manufacturing factory alongside the quay. The quay will play a critical role in the loading out and shipping of these blades to the Dogger Bank wind farm.
- The repayments of the loan have been timed to begin when construction of the project is completed giving the TVCA a pre-credit period to match its build phase.



"The actual process of making a submission and getting the return was pretty quick...we found the UKIB very flexible and very accommodating"

- Gary MacDonald, Group Director of Finance and Resources for TVCA

THANK YOU

<https://www.ukib.org.uk/what-we-offer>