



# UK Infrastructure Bank Act 2023

## CHAPTER 10

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### CONTENTS

- 1 The UK Infrastructure Bank
- 2 Objectives and activities
- 3 Strategic priorities and plans
- 4 Directions
- 5 Financial assistance
- 6 Annual accounts and reports
- 7 Directors: appointment and tenure
- 8 Duties of the Bank etc
- 9 Reviews of the Bank's effectiveness and impact
- 10 Interpretation
- 11 Extent, commencement and short title





# UK Infrastructure Bank Act 2023

## 2023 CHAPTER 10

An Act to make provision about the UK Infrastructure Bank.

[23rd March 2023]

**B**E IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### 1 The UK Infrastructure Bank

For the purposes of this Act, the UK Infrastructure Bank (“the Bank”) is the company registered in England and Wales with the company registration number 06816271.

### 2 Objectives and activities

- (1) The Bank must secure that its articles of association contain a statement of its objects.
- (2) The statement must provide that the Bank's objects are restricted to delivering the Bank's objectives through the exercise of the Bank's activities.
- (3) The Bank's objectives are—
  - (a) to help tackle climate change, including by supporting efforts to meet the target for 2050 set out in section 1 of the Climate Change Act 2008, and
  - (b) to support regional and local economic growth.
- (4) The Bank's activities are—
  - (a) providing financial assistance to projects wholly or mainly relating to infrastructure,
  - (b) providing loans to public authorities for such projects,
  - (c) acting as a centre of expertise and providing advisory and other support services in relation to such projects, and

- (d) any other activities that are incidental or conducive to, or otherwise connected with, anything in paragraphs (a) to (c).
- (5) The Bank may only provide any of the support listed in subsection (4) to water companies if they have produced a costed, time limited plan demonstrating they are committed to preventing discharge.
- (6) Infrastructure includes nature-based solutions, technologies and facilities relating to—
  - (a) water, electricity, gas, telecommunications, sewerage or other services (including the provision of heat and, in relation to electricity, gas and the provision of heat, energy efficiency),
  - (b) railways (including rolling stock), roads or other forms of transport, and
  - (c) climate change (including the removal of greenhouse gases from the atmosphere).
- (7) The Treasury may by regulations made by statutory instrument amend this section so as to change—
  - (a) the Bank’s activities, or
  - (b) the meaning of infrastructure.
- (8) The Treasury must consult the appropriate national authority before making provision in regulations under subsection (7) that would be within the legislative competence of—
  - (a) the Scottish Parliament, if contained in an Act of that Parliament,
  - (b) Senedd Cymru, if contained in an Act of the Senedd, or
  - (c) the Northern Ireland Assembly, if contained in an Act of that Assembly made without the Secretary of State’s consent,apart from provision that is merely incidental to, or consequential on, provision which would be outside that competence.
- (9) A statutory instrument containing regulations under subsection (7) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

### **3 Strategic priorities and plans**

- (1) The Treasury must prepare a statement of strategic priorities for the Bank.
- (2) The Treasury must comply with subsection (1) within the period of six months beginning with the day on which this Act comes into force.
- (3) The Treasury may revise or replace the statement.
- (4) The Treasury must lay a copy of the statement, or of any revised or replacement statement, before Parliament.
- (5) The Treasury must consult the appropriate national authority about any provision which the Treasury proposes to include in a statement under this section and which concerns a subject matter provision about which would be within the legislative competence of—

- (a) the Scottish Parliament, if contained in an Act of that Parliament,
  - (b) Senedd Cymru, if contained in an Act of the Senedd, or
  - (c) the Northern Ireland Assembly, if contained in an Act of that Assembly made without the Secretary of State's consent.
- (6) The duty to consult imposed by subsection (5) may be satisfied by consultation carried out before the passing of this Act.
- (7) The Bank must secure that its articles of association provide for the Bank—
- (a) to publish and act in accordance with strategic plans which reflect the Treasury's statement, and
  - (b) to update those plans whenever the Treasury revises or replaces its statement.

#### **4 Directions**

- (1) The Treasury may give a specific or general direction to the Bank about how it is to deliver its objectives.
- (2) The Bank must comply with a direction.
- (3) The Treasury must—
- (a) consult the Bank's directors before giving a direction, and
  - (b) publish a direction.

#### **5 Financial assistance**

- (1) The Treasury may provide financial assistance to the Bank for the purpose of helping the Bank in the delivery of its objectives.
- (2) The Treasury may arrange for money to be paid out of the National Loans Fund in order to enable loans to be made to the Bank, whether directly or indirectly.
- (3) Where a loan from the National Loans Fund is made directly to the Bank, the Treasury is to determine—
- (a) the rate of interest on the loan, and
  - (b) other terms and conditions.

#### **6 Annual accounts and reports**

- (1) The Bank's directors must, as soon as reasonably practicable after complying with section 441 of the Companies Act 2006 in relation to a financial year, deliver to the Treasury a copy of the accounts and reports which they are required to deliver to the registrar for that financial year in accordance with that section.
- (2) The Treasury must lay a copy of those accounts and reports before Parliament.

#### **7 Directors: appointment and tenure**

The Bank must secure that its articles of association provide that—

- (a) the Bank is to have at least five and no more than fourteen directors;
- (b) the chair of the Bank's board, the Bank's chief executive officer and the non-executive directors are to be appointed by the Chancellor of the Exchequer;
- (c) the Board is to appoint one or more directors to be responsible for ensuring that the Board considers the interests of the appropriate national authorities when making decisions;
- (d) the period of a non-executive director's appointment is not to exceed four years, or such shorter period as may be specified in the terms on which the director is appointed;
- (e) a person may be appointed as a non-executive director no more than two times;
- (f) a person ceases to be a non-executive director as soon as—
  - (i) the person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law,
  - (ii) the person becomes bankrupt (in relation to England and Wales and Northern Ireland) or the person's estate has been sequestrated (in relation to Scotland),
  - (iii) a registered medical practitioner who is treating the person gives a written opinion to the Bank stating that the person has become physically or mentally incapable of acting as a director and is likely to remain so for more than three months, or
  - (iv) the person has resigned as non-executive director in accordance with notification which the person has given to the Bank.

## 8 Duties of the Bank etc

Any duty imposed on the Bank or its directors by or under this Act is enforceable on an application by the Treasury—

- (a) by injunction, or
- (b) in Scotland, by interdict or by an order for specific performance of a statutory duty under section 45(b) of the Court of Session Act 1988.

## 9 Reviews of the Bank's effectiveness and impact

- (1) The Chancellor of the Exchequer must appoint an independent person to carry out reviews of—
  - (a) the effectiveness of the Bank in delivering its objectives, and
  - (b) its impact in relation to climate change and regional and local economic growth (including the extent to which its investments in particular projects or types of project have encouraged additional investment in those projects or types of project by the private sector).
- (2) After each review, the independent person must—
  - (a) prepare a report of the review, and
  - (b) submit the report to the Treasury.
- (3) On receiving a report, the Treasury must—



- (a) publish the report, and
  - (b) lay a copy of the report before Parliament.
- (4) The first report must be submitted to the Treasury within the period of 7 years beginning with the day on which this Act comes into force.
- (5) Subsequent reports must be submitted to the Treasury at intervals of not more than 5 years.
- (6) In this section, references to an “independent person” are to a person who appears to the Chancellor of the Exchequer to be independent of—
- (a) the Treasury, and
  - (b) the Bank.

## 10 Interpretation

In this Act—

“activities”, in relation to the Bank, has the meaning given by section 2(4);

“appropriate national authority” means—

- (a) the Scottish Ministers,
- (b) the Welsh Ministers, or
- (c) the Department for Infrastructure in Northern Ireland;

“financial assistance” includes assistance provided by way of loan, guarantee, indemnity, participation in equity financing and any other kind of financial assistance (actual or contingent);

“infrastructure” has the meaning given by section 2(6);

“local authority”—

- (a) in relation to England and Wales and Scotland, has the same meaning as in paragraph 1 of Schedule 4 to the National Loans Act 1968;
- (b) in relation to Northern Ireland, means a district council;

“objectives”, in relation to the Bank, has the meaning given by section 2(3);

“public authorities” means local authorities, Northern Ireland departments and any other person exercising functions of a public nature.

## 11 Extent, commencement and short title

- (1) This Act extends to England and Wales, Scotland and Northern Ireland.
- (2) This Act comes into force at the end of the period of two months beginning with the day on which it is passed.
- (3) This Act may be cited as the UK Infrastructure Bank Act 2023.



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