

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

UK INFRASTRUCTURE BANK BILL [*LORDS*]

Second Sitting

Tuesday 22 November 2022

(Afternoon)

CONTENTS

CLAUSES 9 TO 11 agreed to, some with amendments.
New clause considered.
Bill, as amended, to be reported.
Written evidence reported to the House.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Saturday 26 November 2022

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The Committee consisted of the following Members:

Chairs: † MR PETER BONE, GERAINT DAVIES

† Fletcher, Katherine (*South Ribble*) (Con)
 Flynn, Stephen (*Aberdeen South*) (SNP)
 † Fuller, Richard (*North East Bedfordshire*) (Con)
 † Griffith, Andrew (*Economic Secretary to the Treasury*)
 † Howell, Paul (*Sedgefield*) (Con)
 † Jones, Andrew (*Harrogate and Knaresborough*) (Con)
 † Linden, David (*Glasgow East*) (SNP)
 † Maclean, Rachel (*Redditch*) (Con)
 † Milling, Amanda (*Cannock Chase*) (Con)
 † Moore, Robbie (*Keighley*) (Con)

† Murray, James (*Ealing North*) (Lab/Co-op)
 † Oppong-Asare, Abena (*Erith and Thamesmead*) (Lab)
 † Shelbrooke, Alec (*Elmet and Rothwell*) (Con)
 † Smith, Nick (*Blaenau Gwent*) (Lab)
 † Stephenson, Andrew (*Lord Commissioner of His Majesty's Treasury*)
 † Twist, Liz (*Blaydon*) (Lab)
 † Vaz, Valerie (*Walsall South*) (Lab)

Bethan Harding, Amna Bokhari, *Committee Clerks*

† **attended the Committee**

Public Bill Committee

Tuesday 22 November 2022

(Afternoon)

[MR PETER BONE *in the Chair*]

UK Infrastructure Bank Bill [Lords]

Clause 9

REVIEWS OF THE BANK'S EFFECTIVENESS AND IMPACT

2 pm

Richard Fuller (North East Bedfordshire) (Con): I beg to move amendment 14, in clause 9, page 4, line 14, at end insert—

“, and

(c) the effectiveness and scale of private and other third-party capital attracted to investments by the Bank.”

It is a particular pleasure to serve under your chairmanship, Mr Bone. Had you been with us this morning you would have witnessed a series of debates between the Minister, me and, on occasion, Opposition Members about the importance of the bank, with references to its ability to attract private capital from outside and to the importance of its achieving a financial return for its shareholders, who, I remind right hon. and hon. Members, are the taxpayers, through the choosing of the Government.

Amendment 14 relates to reviews of the bank's effectiveness and impact. In previous discussions the Minister said—on balance, I think quite rightly—that there was sufficient power in the Government's ability to provide a framework of strategic priorities and plans and, if necessary, to put directions in place for those objectives not to be included in the Bill. He said there was enough flexibility for the Government to provide a response by other means, which I accept.

In clause 9, however, we are trying to look at the bank's effectiveness and impact. We are reviewing not just the bank's homework but the directions provided by the Treasury and His Majesty's Government over that period. That is underlined by subsection (1), which makes reference to “an independent person”. My amendment would amplify subsection (1)(b) by adding a specific provision on

“the effectiveness and scale of private and other third-party capital attracted to investments by the Bank.”

To reiterate some points that are relevant to the review—the hon. Member for Erith and Thamesmead has agreed with at least one of them, and perhaps more—there are concerns that the bank might spread itself too thinly with regard to where and how it might seek investments, all the way from early-stage investing, through growth capital, to mature investing. It is therefore important that the review by the independent person takes into consideration the efficiency of capital allocated between those various tasks or parts of the investing spectrum.

It is important that we understand the investment structures that are in place. What I have in mind—and I am interested to hear the Minister's observations—is the fact that the bank is trying to attract external capital to achieve some of our climate change and levelling-up goals. For climate change goals, the backstop provider

of the gap in any funding if the private sector does not provide, if we wish to achieve our policy objective, is the UK taxpayer. Right now, in the main Chamber Members are discussing the autumn statement. Members on both sides of the Committee are aware that we are pledging increases in taxation, expenditure and borrowing, notwithstanding additional pressures that achieving net zero will place on taxpayers. It is therefore crucial, if the bank is to play an effective role, that we are vigilant in understanding the burden left at the end of its efforts on the taxpayer, and we should seek to minimise it. My amendment seeks to put pressure on the independent person to look at that objective. Those are the main priorities of my amendment and I look forward to hearing the Minister's response.

Abena Oppong-Asare (Erith and Thamesmead) (Lab): It is a pleasure, Mr Bone, to serve under your chairship. It is an honour to follow the hon. Member for North East Bedfordshire. As he has highlighted, we have come to a substantial and key clause.

As the hon. Gentleman briefly stated, the clause sets out requirements for reviews of the bank's effectiveness and impact. In particular, it states:

“The Chancellor must appoint an independent person to carry out reviews of...the effectiveness of the Bank in delivering its objectives, and...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 projects have encouraged additional investment in those projects or types of project by the private sector).”

The independent person must share those reports with the Treasury, which must then publish the reports and lay a copy before Parliament. I welcome that there will be performance reviews of the bank. Given the importance of its objectives, it is right that its ability to meet its aims is evaluated. We will get to the frequency of the reports later. I am sure I do not need to reveal to Committee members that we think the current proposed frequencies are inadequate.

Amendment 14, tabled by the hon. Member for North East Bedfordshire, would add a third element to the reports: the independent person would have to consider the effectiveness and scale of private and other third-party capital attracted to investments by the bank. We have already discussed the concept of additionality—the idea that the bank should be adding value and crowding in private sector investment. Clause 9(1)(b) already makes reference to additional investment, so I am confident that that is already covered by the Bill.

The Economic Secretary to the Treasury (Andrew Griffith): It is a pleasure to serve under your chairmanship, Mr Bone. I thank my hon. Friend the Member for North East Bedfordshire for his diligence in endeavouring to ensure that the Bill properly protects taxpayers' interests and properly mobilises the private sector investment that the country depends on. I also thank him for trying his hardest to keep Ministers and this institution to account. I would never seek to do anything to discourage him.

However, in this case, I would like to join hands with the hon. Member for Erith and Thamesmead and, regrettably, confirm that it is my view that clause 9(1)(b), which already talks about the degree to which investments in particular projects or types of projects have encouraged

additional investment in those projects or types of projects by the private sector, will go a long way to accomplishing what my hon. Friend wants. I am happy to write to him on what I consider to be the effectiveness of the clause and explore whether there is some value to be added in changing it, but it is my position, as it is that of the hon. Member for Erith and Thamesmead, that clause 9(1)(b) already does that.

My hon. Friend the Member for North East Bedfordshire should be reassured that the Government are setting up this institution with great foresight as to how we keep it accountable. The mere fact that we are legislating at its inception for an independent review to be carried out is a very progressive thing. We are trying to ensure that all our arm's length bodies are as effective as possible. Speaking personally, I think it would be an innovation for every other arm's length body to have to have independent reviews at frequent intervals.

I hope that my hon. Friend will agree that the wording of the Bill is already sufficiently broad to cover what he is seeking and accept my assurances to explore whether it should be changed, and that he will not press his amendment to a vote.

Richard Fuller: I appreciate the comments by the Opposition spokesperson and, of course, my hon. Friend the Minister. My concern about subsection (1)(b) is that the focus on the extent to which investments have attracted additional private sector investment is subordinate to the effectiveness, in terms of the impact on climate change and regional and local growth. That essentially means that if there is a project that is very strong on achieving climate change goals, the bank will be perfectly happy to pursue that, even at an extended cost to the taxpayer. I hope I have not got the Minister wrong.

Andrew Griffith: To clarify, I do not read it as being subordinate; it is merely clarificatory that that is within scope. I thought it might be useful to put that on the record.

Richard Fuller: That is very helpful. With that assurance from the Minister, I am happy to withdraw my amendment.
Amendment, by leave, withdrawn.

Abena Oppong-Asare: I beg to move amendment 23, in clause 9, page 4, line 14, at end insert—

- “(c) the geographic spread of the businesses and bodies the Bank invests in, and
- (d) the ownership of the businesses and bodies the Bank invests in.”.

This amendment requires reviews of the Bank's effectiveness and impact to consider the location and ownership of the businesses and bodies it invests in.

It might be helpful if I give the background to the amendment. Labour wants to strengthen British industry, supply chains and our industrial strategy. That is why we have proposed amendment 23, which would require reviews of the bank to consider the geographic spread of the businesses and bodies that the bank invests in, and their ownership.

I was concerned to read research by Open Democracy that found that the bank has so far pledged nearly all its cash to firms with offshore owners, including some linked to tax havens and repressive regimes. That was an independent report, not carried out by my party, but by Open Democracy. We want the benefits of the UK

Infrastructure Bank to be seen here in the UK, with home-grown renewables such as offshore wind, solar, nuclear, hydrogen and tidal power. We want to work with businesses to crowd in private funding and work with unions to ensure high-quality jobs. I am sure the whole Committee can agree on that.

We know that this could be a national enterprise. We have a world-leading offshore wind industry in Scotland and on the east coast, hydrogen in the north-west and Teesside, nuclear power in the south-east, and solar power in the south and midlands. That can only be realised if investment stays here in the UK. A lack of domestic champions has compromised our security and stalled progress.

Richard Fuller: Are the Opposition concerned that investments and co-investments in projects in the UK will come through funds that may be held in offshore trusts, or is the concern that the bank will be investing in projects offshore through offshore investment trusts?

Abena Oppong-Asare: The hon. Member asks an important question. I am sure that we agree that it is important to look at the geographical element of investments. This is not just a concern of Labour's; the report I mentioned is by Open Democracy. Brilliant projects are taking place; I do not want to take anything away from them, but I want us to ensure that we are supporting businesses in the UK. That is really important. We all know from talking to our constituents that great investment could be used. That needs to be acknowledged, and that is why we tabled the amendment, which would ensure that reviews of the bank consider the geographic spread of the businesses that the bank invests in and their ownership.

Andrew Griffith: The Government do not support the amendment. The hon. Lady is quite right to raise the importance of the regional split, and we all aspire to higher standards of transparency in business investment. These investments will, of course, be highly transparent. We have talked before about the reporting to Parliament; we will talk later about the annual report and the frequency of reporting. I can assure the hon. Lady that it will not be possible to hide a physical investment in infrastructure. That is the very nature of the provisions. Where the bank has deployed its capital, and the nature of the investments, will be very transparent. Indeed, the report that she cites from Open Democracy rather proves that point. There is no deficiency of transparency if Open Democracy has been able fully to ascertain the ownership.

Abena Oppong-Asare: Open Democracy has done the research that the Government have not done to get that data. It spent significant time getting that data. It should not be left to organisations such as Open Democracy to get that information. That information should be easily accessible to us. This is taxpayers' money, and I do not see how the amendment is unreasonable.

2.15 pm

Andrew Griffith: I make the same point again. The fact is that the information is readily accessible in the public domain through Companies House. It will be accessible through the different mechanisms for holding the UK Infrastructure Bank to account. There is no

[Andrew Griffith]

desire to do anything other than ensure that Parliament and other public interest stakeholders can see precisely where the bank is deploying its capital. That is the very purpose of it. We can talk later about the annual report mechanism, which will include the disclosure of material information.

In respect of—

Nick Smith (Blaenau Gwent) (Lab): Will the Minister give way?

Andrew Griffith: I was going to say something helpful, but of course I will give way. Hopefully it will re-occur to me in a moment.

Nick Smith: I thank the Minister for giving way. I wonder whether he could talk a little more about why the report on the geographic spread of businesses would not be of value to our country. There was a very good National Audit Office report on the creation of the UK Infrastructure Bank published in June this year. One of its recommendations was that the bank should “further develop its understanding of where infrastructure needs are greatest so that it routinely informs investment decisions and prioritises them.”

Surely such geographical reporting would help the bank with its work.

Andrew Griffith: The hon. Member sort of took the words out of my mouth. We will expect the UK Infrastructure Bank to make the regional nature of its investments clear. It has done so to date, and clearly it should do so going forward. Things that should happen do not necessarily need to be put into statute at every turn. There are lots of other ways of ensuring that the information is readily available.

Abena Oppong-Asare: I have no further comments, other than to urge Members to support our sensible amendment, which I think would benefit all our constituents across the country.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 7]

AYES

Linden, David	Smith, Nick
Murray, James	Twist, Liz
Oppong-Asare, Abena	Vaz, rh Valerie

NOES

Fletcher, Katherine	Macleay, Rachel
Fuller, Richard	Milling, rh Amanda
Griffith, Andrew	Moore, Robbie
Howell, Paul	Shelbrooke, rh Alec
Jones, Andrew	Stephenson, rh Andrew

Question accordingly negatived.

Richard Fuller: I beg to move amendment 15, in clause 9, page 4, line 21, leave out from “Treasury” to end of line 22 and insert

“12 months and the second report within 24 months of the day on which this Act comes into force”.

The Chair: With this it will be convenient to discuss the following:

Amendment 21, in clause 9, page 4, line 21, leave out “7” and insert “4”.

This amendment requires an initial report of the Bank’s effectiveness to take place within 4 years after the Act comes into force, rather than the current 7.

Amendment 16, in clause 9, page 4, line 24, leave out “7” and insert “2”.

Amendment 22, in clause 9, page 4, line 24, leave out “7” and insert “5”.

This amendment requires reviews of the Bank’s effectiveness to take place every five years after the initial review, rather than the current 7.

Richard Fuller: One last time, Mr Bone.

This group, including my amendments 15 and 16, relates to the timing and frequency of reports that will be provided. My amendments focus on the start of the UK Infrastructure Bank’s existence. Essentially, my question is: does the Minister feel that there will be enough transparency and exposure around the bank as it sets up its guiding principles, begins its work, puts its board together and starts to put some flesh on the bones of its investment profile?

My concern is that we will be waiting a bit too long if we wait for seven years to have any influence at all on the way in which the bank is being structured and is moving. Will it be going in the right direction? Essentially, we will not know until the next decade, and that will be well on our way to the time at which Parliament has set the objective of achieving net zero.

Amendment 15 suggests that we should have a report within the first 12 months, and a second report after 24 months. Those two reports would provide independent understanding about what the board and the bank leadership itself are doing at such crucial stages. Amendment 16 tries to do something similar in clause 9(5). The Government propose that subsequent reports must be made every seven years, while my suggestion is that they should be every two years.

I am probably willing to concede to the Government that, after the first couple of years, my proposal would probably involve a bit too much oversight over the board. The board must be allowed to do its job, so someone looking over its shoulders every two years is probably a bit too much. I am therefore minded not to press that point, but I will be interested to hear the Government’s thinking, particularly on the first two reports.

Abena Oppong-Asare: I thank the hon. Member for North East Bedfordshire for his comments. I will speak briefly to amendments 21 and 22.

I share the hon. Member’s concerns, because the initial review of the bank will be published within seven years of the Bill coming into force, and subsequent reviews will be published at intervals of no more than seven years. Those timeframes are shocking, particularly given that the Government’s original intention was for the initial report to be published in 10 years’ time.

I point out to the Minister that the levelling up missions are due to be met by 2030 and the net zero target by 2050, so a review in seven years’ time would miss the first of those targets. I would be interested to hear from the Minister how, without that review, those targets will be met.

Amendment 21 would provide that the initial review would be published within four years of the Bill coming into force, while amendment 22 would see subsequent reviews published every five years. That would enable the bank to grow, improve and ensure that it is meeting its objectives. I noted that the hon. Member for North East Bedfordshire may not press his amendments, so hopefully he finds ours to be more appropriate.

Andrew Griffith: I thank both the well-meaning Members—my hon. Friend the Member for North East Bedfordshire and the hon. Member for Erith and Thamesmead—who seek to get the right interval of reviews, both in respect of the first and subsequent periods. The fact that both colleagues have ended up with different intervals suggests that this is not something that need be of doctrine or dogma.

Abena Oppong-Asare: I thank the Minister for pointing out that we have come up with different intervals, but I remind him that, obviously, the Government did that as well. Initially, they were looking to do the review every 10 years, but they have changed it to seven years, so there is scope to adapt and change, as under our amendments.

Andrew Griffith: There is indeed scope, but there is also interplay with other expected reviews to which the UK Investment Bank will be subject. While I oppose, fairly, all the amendments put forward, I undertake to come back on these points at subsequent stages.

Valerie Vaz (Walsall South) (Lab): I understand that the Minister considers that hon. Members are being well meaning but, if I may say so—I do not know if this is parliamentary language, Mr Bone—that is a tad patronising. We are talking about transparency and ensuring that the bank, which is using public money, is going in the right direction. It should not be too difficult for the bank to come back and have a review in a much shorter time than seven years. Given that we have had three Prime Ministers in a year, we might see many Ministers in those seven years. This Minister may give us his undertaking, but he might not be in place throughout that period.

Andrew Griffith: I am not sure quite how to react to the right hon. Lady's predictions about my expected tenure, but I dare say she is probably right in many respects. Let us try to get through the remainder of the afternoon before making any amendments. I certainly did not intend to patronise any colleagues.

We have to get this right. The most important thing is that the bank is equipped to deliver the outcomes that we seek by deploying its capital in pursuit of its statutory objectives. I do not want us to trip over a particular interval when, inevitably, a number of reviews will be ongoing. Whether the right hon. Lady likes it or not, the undertaking that I am going to give is to come back on this. The Government have already moved in respect of clause 9(5)—from 10 years to seven. I hear from Members on both sides of the Committee that there is concern that seven years is still too long, and I undertake to come back on that.

Abena Oppong-Asare: The Minister is being generous with his time. I appreciate that he will take this matter away, but I remind him of the bank's core function: to help us to meet our climate change targets by 2050. Several Back Benchers have already mentioned that. I urge the Minister to review the situation, because if we are going to meet the targets, particularly the 2030 targets, seven years will be far too long. Our proposal seems reasonable, so it would be helpful if the Minister would consider it and write to me about it.

Andrew Griffith: That is effectively what I am doing. The key point is that this is a novel institution. It has a great deal of runway, and it also has an awful lot of operationalising and scaling to do over the immediate period. I hope that no one wants to subject the bank to an excess of reviews during that initial period, as that would inevitably detract from its resources. None of that takes us away from any of the accountability measures we have talked about. I will write to the hon. Lady with a determination, or an explanation, regarding whether we can substitute a different interval in clause 9(5).

David Linden (Glasgow East) (SNP): As this is the first time I have spoken this afternoon, may I say that it is a pleasure to serve under your chairmanship, Mr Bone?

I want to pin the Minister down a little on what he means when he talks about coming back. Would that be coming back in the form of writing to the hon. Member for Erith and Thamesmead, or coming back during the Bill's remaining stages? I want to clarify exactly what he means, because some of us have fallen foul of such behaviour by Ministers before.

Andrew Griffith: I am not sure what is the nefarious behaviour of which the hon. Member speaks. I have spoken about our wanting to get the review intervals right. I am talking about potentially proposing a different number as an amendment at a later stage of the Bill.

David Linden: On Report?

Andrew Griffith: Yes.

Katherine Fletcher (South Ribble) (Con) *rose*—

The Chair: Order. It might help if, when the Minister sends a reply to the shadow Minister, he sends it to the whole Committee.

Andrew Griffith: I will do that.

Katherine Fletcher: It is a pleasure to serve under your chairmanship, Mr Bone—for the first time, I believe.

Recently, I was briefly the incumbent of the roads portfolio, which is obviously an important part of infrastructure. The average time from scheme idea to spades in the ground actually exceeds the seven years that is provided for in the Bill. While I am extremely sympathetic to the points made by my hon. Friend the Member for North East Bedfordshire about ensuring that we do not go too long without checking, I am also sympathetic to the idea that we need to be able to operationalise the schemes. Does the Minister agree that the key to getting the seven years down is the reform of planning legislation? We cannot guarantee an investment until the development consent orders are cleared.

2.30 pm

Andrew Griffith: The Minister absolutely agrees that the key point is to make the institution effective in delivering its goals. The hon. Member for Erith and Thamesmead talked about net zero and the imperative to get on, decarbonise our economy and ensure that we have the infrastructure in place. All hon. Members are supporters of scrutiny and accountability, which is why we all trip over this period of seven years as potentially being a long period—it is longer than the tenure that any of us enjoy. That is precisely because there is a trade-off with operationalising and delivering objectives.

Nick Smith: I welcome the Minister’s undertaking to come back with a different date for the laying of a report before Parliament. It is the reporting to and scrutiny of Parliament that is important in this instance, not least because, these days, recent Parliaments have rarely run to four years, although that used to be the average for a Parliament. I hope that the Government will look at a date that will allow each Parliament in the realm to consider the work of the bank. In the very good NAO report that was published in June, as one of its key findings, it said that

“At the end of May 2022, the Bank had made five deals”.

Can the Minister update us on how many deals had been made by the bank up until, say, October this year?

Andrew Griffith: We are moving slightly away from the amendments, but I will write to all hon. Members with an update. The annual report is due to be published imminently; the hon. Member was not here this morning when I confirmed that I have signed off what I needed to do. I expect the report to be laid in the House of Commons Library in the coming days. Some 10 deals have been made so far but, because this is a subject of interest, we will ensure that everybody is aware of the deals and that we lay the annual report before the House as quickly as possible.

Richard Fuller: Will the Minister give way?

Andrew Griffith: If it is a choice, I will do it one final time. We will then move to the vote.

Richard Fuller: The Minister referred to coming back another time about clause 9(5). As my hon. Friend the Member for South Ribble said, when we are reviewing investments, a seven-year period, and perhaps longer, might be a reasonable period for consideration. As the hon. Member for Glasgow East said, there is logic to having a review every five years during a Parliament. To my mind, subsection (4) refers to the more essential period. Essentially, it says that we will not have our first report for seven years. My thought is that we need one more frequently than that. Will the Minister clarify whether he intends to come back to the Committee on not just subsection (5), as he said he would, but subsection (4)?

Andrew Griffith: With respect, these are quite different points. I do not intend to come back on subsection (4). There are many reviews. We should not confuse the additional process of bringing in an outside party and

conducting an independent review. That is quite different from the normal regular accountability of publishing an annual report, disclosure, complying with the combined code, having good governance practices, the oversight of the Treasury Committee and any of the other ongoing reviews that the Government spawn all the time. This is a separate statutory independent review. It is an unusual but positive feature, and I do not propose to reopen the point, because that is the Government’s position. We thought about it, and it will take time for this entity to be operating at scale, when it is actually capable of providing a useful determination for the review.

Richard Fuller: I am looking expectantly across the room, but as I do not see any encouragement from Opposition Members, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 21, in clause 9, page 4, line 21, leave out “7” and insert “4”.—(*Abena Oppong-Asare.*)

This amendment requires an initial report of the Bank’s effectiveness to take place within 4 years after the Act comes into force, rather than the current 7.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 8]

AYES

Linden, David	Smith, Nick
Murray, James	Twist, Liz
Oppong-Asare, Abena	Vaz, rh Valerie

NOES

Fletcher, Katherine	Maclean, Rachel
Fuller, Richard	Milling, rh Amanda
Griffith, Andrew	Moore, Robbie
Howell, Paul	Shelbrooke, rh Alec
Jones, Andrew	Stephenson, rh Andrew

Question accordingly negated.

Amendment proposed: 22, in clause 9, page 4, line 24, leave out “7” and insert “5”.—(*Abena Oppong-Asare.*)

This amendment requires reviews of the Bank’s effectiveness to take place every five years after the initial review, rather than the current 7.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 10.

Division No. 9]

AYES

Linden, David	Smith, Nick
Murray, James	Twist, Liz
Oppong-Asare, Abena	Vaz, rh Valerie

NOES

Fletcher, Katherine	Maclean, Rachel
Fuller, Richard	Milling, rh Amanda
Griffith, Andrew	Moore, Robbie
Howell, Paul	Shelbrooke, rh Alec
Jones, Andrew	Stephenson, rh Andrew

Question accordingly negated.

Question proposed, That the clause stand part of the Bill.

Andrew Griffith: Given the lively exchange of views about frequency, I think that members of the Committee are broadly familiar with the clause. The provision for regular independent and statutory reviews of the bank's effectiveness in meeting its core objectives is important to ensure that it meets its objectives and delivers good value for the taxpayer. It is important that this is an independent review, independent of the bank itself and of HM Treasury. The review will look at the extent to which the bank has met its climate change and levelling-up objectives. In response to the points made by colleagues in the other place, it will also look at whether the bank has been suitably additional in the market. All of that is fundamental to the bank's success.

We have talked about the review period. The statutory independent review will be in addition to the UKIB framework document, which will be reviewed after the Bill receives Royal Assent and at regular intervals thereafter, in addition to effectiveness reviews from the Cabinet Office, to which all public bodies are subject. The strategic review in 2024 will cover the general progress to date of the UKIB and its capital position, the implementation of the financial framework, the UKIB's delegation limits and the return on equity. It will be additional to the financial framework, which will be reviewed from time to time after the strategic review. Given all of that and the debate about the period and my undertaking to come back on clause 9(5) and revisit what is the appropriate time, given colleagues' concerns that seven years is too long, I recommend that the clause stand part of the Bill.

Abena Oppong-Asare: I am disappointed that the measures to strengthen clause 9 were not adopted. However, I welcome the fact that there will be reviews of the bank. Here and in the other place, concerns have been raised about the projects that the bank is financing, from their location to the level of additionality they provide. Reviews of the bank will certainly clear up the issues that need to be resolved.

I hope that there will be opportunity for parliamentary scrutiny and discussion following report publications. I have noted—and I am sure the Minister is aware—that the Public Accounts Committee is currently conducting a review of the establishment of the UK Infrastructure Bank. It is a shame that the recommendations may not come early enough to influence the Bill, but its work demonstrates that the importance of evaluation. We have spoken about this topic at length today, so we will not oppose clause 9.

Question put and agreed to.

Clause 9 accordingly ordered to stand part of the Bill.

Amendments made: 6, in clause 10, page 4, line 32, at end insert—

- ““appropriate national authority” means—
- (a) the Scottish Ministers,
 - (b) the Welsh Ministers, or
 - (c) the Department for Infrastructure in Northern Ireland.”

This amendment would define “appropriate national authority”.

Amendment 9, in clause 10, page 5, line 4, leave out the definition of “relevant public authorities” and insert—

- ““public authorities” means local authorities, Northern Ireland departments and any other person exercising functions of a public nature.”—(Andrew Griffith.)

See the explanatory statement for Amendment 8.

Clause 10

INTERPRETATION

Question proposed, That the clause stand part of the Bill.

The Chair: With this it will be convenient to discuss the following:

Government amendment 7.

Clause 11 stand part.

Andrew Griffith: I hope that this discussion is largely technical and not subject to controversy. Clause 10 sets out the definitions for various terms that are used in the Bill, such as financial assistance, local authority and relevant public authorities. Financial assistance is defined in a broadly similar way to the definition in other legislation, such as the Infrastructure (Financial Assistance) Act 2012, but also reflects the specific priorities of the bank. It is intended to be a broad and inclusive definition in line with the potential diversity of the bank's investment activities.

The Bill contains provisions stating that the bank is able to provide loans to relevant public authorities, and the clause defines public authorities to include Northern Ireland Departments, as well as local authorities in England, Scotland and Wales, and district councils in Northern Ireland. That is indicative of our commitment that the bank should work to deliver collaboratively and UK-wide, taking into account different infrastructure financing landscapes.

Government amendment 7 is a privilege amendment, as is standard for a Bill that begins its passage in the Lords and concerns matters of public finance. A privilege amendment was passed; given the Bill is now in the Commons, I have tabled an amendment to remove it that is purely technical. Clause 11 confirms that the Bill extends to England, Wales, Scotland and Northern Ireland, and the point at which it will come into force, which will be two months after Royal Assent.

2.45 pm

James Murray (Ealing North) (Lab/Co-op): It is a privilege to serve under your chairmanship, Mr Bone, and to speak to this important but uncontroversial aspect of the Bill. As we have heard, clause 10 concerns interpretation. We do not oppose the definition of “activities”, “financial assistance”, “infrastructure”, “local authority”, “objectives” or “relevant public authorities”.

Clause 11 is a short clause concerning the extent and commencement of the Bill, as well as providing its short title. It stipulates that the Act extends to England, Wales, Scotland and Northern Ireland. The legislation comes into force two months after the date on which it is passed, and it is to be cited as the UK Infrastructure Bank Act 2022. Government amendment 7 simply removes the privilege amendment inserted by the Lords, and is a procedural necessity that we have no reason to oppose.

Question put and agreed to.

Clause 10, as amended, accordingly ordered to stand part of the Bill.

Clause 11

EXTENT, COMMENCEMENT AND SHORT TITLE

Amendment made: 7, in clause 11, page 5, line 11, leave out subsection (4).—(Andrew Griffith.)

This amendment would remove the privilege amendment inserted by the House of Lords.

Clause 11, as amended, ordered to stand part of the Bill.

New Clause 1

BUSINESSES AND BODIES THE BANK INVESTS IN

“(1) The Bank must publish an annual report setting out—

(a) the geographical spread of businesses and bodies it invests in, and

(b) the ownership of the businesses and bodies it invests in.

(2) The Bank must prepare and publish a “Good Jobs” plan for all businesses and bodies it invests in, which requires the business or body to improve productivity, pay, jobs and living standards.”—
(*Abena Oppong-Asare.*)

This new clause ensures that the Bank considers the location and ownership of the businesses and bodies it invests in and only invests in businesses and bodies who create “Good Jobs” plans to improve productivity, pay, jobs and living standards.

Brought up, and read the First time.

Abena Oppong-Asare: I beg to move, that the clause be read a Second time.

New clause 1 supports amendment 23. It would require the bank to publish an annual report setting out the geographical spread of the businesses and bodies it invests in, and their ownership. To be clear, amendment 23 required the independent review, conducted over longer time frames, to consider those points. Our new clause requires the bank to report annually on those matters.

Subsection (2) of new clause 1 would require the bank to publish and invest in a good jobs plan for all businesses and bodies, which requires the business or body to improve productivity, pay, jobs and living standards. Before the Minister objects, I will say that the wording might be familiar to members of the Committee, particularly Conservative members, because it is the same wording they voted to remove from the Bill earlier in Committee. The wording will be familiar to Conservative Committee members because it is the first mission of the Government’s levelling-up agenda. Given their voting record in this Committee so far, I am not sure it is something they are committed to any more, but I am sure they can agree that they want the UK Infrastructure Bank to create highly-skilled, well-paid jobs in their constituencies and across the country. I know that constituents in Erith and Thamesmead want to see better job opportunities, whether for young people or older people who are looking to reskill and retrain.

As I said earlier, we do not believe in growth for growth’s sake. We believe in growth because it creates jobs and improves living standards. With fairer choices, we see our economy growing again, powered by the talent and effort of millions of working people and thousands of our businesses. Our new clause would ensure that the bank plays its part in its mission, creating new industries across the country and working hand in hand with businesses to create jobs for the future. Before the Committee concludes, I want to take the opportunity to make some closing remarks and thank some people.

The Chair: Order. That is normally done after we finish this bit. Points of order are normally done at the end.

Abena Oppong-Asare: I am happy to do that, Mr Bone.

Andrew Griffith: New clause 1 would oblige the bank to publish an annual report addressing the geographical spread and ownership of the bodies the bank invests in,

as well as a good jobs plan for all businesses and bodies it invests in, which requires the business or body to improve productivity, pay, jobs and living standards. It is similar to amendment 23, which has fallen, although it would require reporting after the event rather than a review. Many of my earlier points about amendment 23 remain pertinent. The bank already reports on its investments and will publish a summary in its annual report and accounts. The bank is capturing data on location in its deal assessments and will consider how best to report publicly on location for future investments.

As discussed earlier, the nature of an infrastructure investment means that it is difficult to hide. They tend to be fairly visible and tangible and we would all be able to work out exactly where those millions of pounds of capital had been deployed. I reassure hon. Members that the bank is subject to freedom of information requests in the usual way, which I understand is a painless process by which one can readily find out information. [*Interruption.*] The legislation was not brought in by this Government, so if it is deficient, it is not on our watch.

Abena Oppong-Asare: The Minister says that it is open to individuals to put in freedom of information requests. I do not understand why the Minister would encourage that when our new clause would make things a lot easier and more transparent. It takes a lot of time to do the paperwork associated with FOI requests, so the new clause would save staff from having to do that extra admin work. In setting up the bank, why does the Minister want it to take on those extra responsibilities? It makes no sense.

Andrew Griffith: It remains my contention that it is simply not necessary for this barnacle to be adhered to this particular ship as it steams out on its levelling-up mission across the UK, taking us on the path to net zero.

David Linden: If I understand it correctly, the Minister’s objection to new clause 1 is that the bank would already be doing quite a lot of reporting anyway—by a nod of the head, he is acceding to that. If the Government oppose further reporting, I presume that they object to new clause 1 because they have undertaken an impact analysis of it. Could he place that impact assessment in the Library so that Members can see it, and perhaps the new clause could be brought back on Report?

Andrew Griffith: I remind the hon. Gentleman that this is not a Government new clause. If anyone wishes to conduct an impact assessment of it, they are very welcome to do so, but it was not tabled by the Government.

David Linden: Does that mean that the Minister is objecting to the new clause purely because it was tabled by the Opposition, rather than based on evidence?

Andrew Griffith: Our position has been very consistent. I understand that it may not be the position of the Opposition, and it is no worse for that. Our position is that statute is not the be-all and end-all. The most important thing is that we get this bank up and running, delivering on its outcomes, and that we do so in good fashion, with the minimum, not maximum, amount of extra statute.

The new clause contains two elements, so I will turn briefly to the other point nested in it, which is the good jobs plan. The bank is already committed to pursuing good environmental, social, resilience and governance policy. We do not feel that adding extra statutory requirements in this particular case is the right decision. The bank will be reporting on the number of jobs created as one of its key performance indicators and will be working up measures on productivity as well as setting out the impact of its assessments, on which we will all hold it to account. With that, I ask the Opposition to withdraw their new clause.

Abena Oppong-Asare: I am afraid that I will not be withdrawing the new clause. It is a sensible new clause and I urge all members of the Committee to support it, so I wish to push it to a vote.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 6, Noes 10.

Division No. 10]

AYES

Linden, David	Smith, Nick
Murray, James	Twist, Liz
Oppong-Asare, Abena	Vaz, rh Valerie

NOES

Fletcher, Katherine	Maclean, Rachel
Fuller, Richard	Milling, rh Amanda
Griffith, Andrew	Moore, Robbie
Howell, Paul	Shelbrooke, rh Alec
Jones, Andrew	Stephenson, rh Andrew

Question accordingly negated.

Abena Oppong-Asare: On a point of order, Mr Bone. I thank all members of the Committee for our robust debate. I am sure that we agree through our different channels that we want the best for this Bill and for our constituents. I hope people take on board the fact that we have been making recommendations that we feel are best for the country.

I thank the Minister for answering our questions. I am disappointed that some of our amendments have been voted against, but I accept that the Minister is

going to look at some of our recommendations on some clauses, in terms of the annual review. That is very important. Seven years is a very long time.

I thank the hon. Member for North East Bedfordshire for his detailed analysis and his amendments. I thank the Chairs of both sittings, Mr Davies and Mr Bone, who have guided the Committee with skill. At times, you have been very firm, but rightly so. I thank the Clerks, Amna Bokhari and Bethan Harding, who have been invaluable. I thank colleagues, including my hon. Friend the Member for Ealing North and our Whip, my hon. Friend the Member for Blaydon, and look forward to seeing what comes out of this next.

David Linden: Further to that point of order, Mr Bone. Following the remarks of the hon. Member for Erith and Thamesmead, I thank all hon. Members for their contributions, and you as Chair, Mr Bone, and the Clerks and the officials. I thank in particular the hon. Member for North East Bedfordshire. I think we knew it was unlikely that he would sacrifice his position in the governing party by voting against the Government, but his amendments were helpful in provoking discussion. I know that a number of my colleagues on Bill Committees this afternoon will not have the luxury of finishing at 3 o'clock. On that basis, I thank everybody present for the speedy way in which the Bill has passed through the House and look forward to the further stages and to any remaining t's being crossed and i's dotted.

Andrew Griffith: Further to that point of order, Mr Bone. I echo the comments of the hon. Member for Glasgow East and commend the hon. Member for Erith and Thamesmead for her graciousness and diligence. It is fully understood on this side of the Committee that Opposition Members do not have the same support as that provided to Ministers by officials. A great deal of diligence goes into preparing amendments and advocating them. The hon. Member for Ealing North is always a strong advocate for his party's position. I thank my officials for their work in preparing and presenting the Bill. I thank you, Mr Bone, and your officers. I hope my colleagues will not mind me singling out my hon. Friend the Member for North East Bedfordshire for bringing a certain *je ne sais quoi* to proceedings, and for advancing his own cause.

Bill, as amended, to be reported.

3 pm

Committee rose.

Written evidence reported to the House

UKIBB01 Green Alliance