



**NATIONAL
WEALTH
FUND**

From Feasibility to Finance:

Introducing our new NWF
Regional Project Accelerator for
local government across the UK.



We are transforming the way we support and partner with local government to accelerate the delivery of growth and clean energy projects across the UK.

Over the last three years we have worked with local partners on advisory and lending projects right across the UK, building a breadth of experience and knowledge in a range of sectors, such as heat networks, transport and social housing retrofit. We will build on this as we move to a new phase.

The UK Government is focused on unlocking growth and greening our former industrial heartlands, supported by its Industrial and Infrastructure Strategies and the Clean Power Action Plan 2030, while empowering greater local leadership.

In line with the Government's regional strategy, we have agreed with the relevant central government departments and our shareholder, HM Treasury, that we direct our local government offer, and wider investment expertise, to areas with the most potential to deliver growth. We will do this in partnership with other public investment bodies, where appropriate. Having listened to feedback from partners, and learned from our activity to date, we are introducing a transformed support offer to local authorities – **the Regional Project Accelerator**.

The Regional Project Accelerator

The new approach will focus on long-term and deeper strategic partnerships with high growth MSAs and City Regions, as well as support for more complex and significant flagship projects across the country. We will develop a new knowledge service for all councils, harnessing digital and AI technology and facilitating peer to peer learning, adding to councils' commercial insights so they can work effectively with the private sector. And we have streamlined our lending, which will complement the offer from the Public Works Loans Board.

All of this recognises that we are uniquely placed to support and partner with local government to catalyse public and private sector sources of finance, bringing together our financial structuring expertise and insight across government funding streams to match opportunities in places across the UK.

Our new approach - supported by increased capacity and expertise - will unlock ambitious projects with growth potential across the UK, taking them from feasibility to finance.

What's new?

- ▶ **Deeper support**, focused around strategic partnerships and flagship projects.
- ▶ **A focus on more complex growth-driving projects**, so we can add the most value.
- ▶ **Longer-term partnership working**, with closer collaboration across our expert teams.
- ▶ **A broader support offer** from feasibility to finance and commercial advisory expertise, moving into project development.
- ▶ **A new UK wide knowledge service** to support project viability and delivery.



Our offer to local government

We will provide flexible support, starting with an understanding of how we can be the best possible partner, and ascertaining scope to work with other public investment bodies, where appropriate.



Strategic Partnerships

With four partnerships now launched, our teams will collaborate with MSAs and City Regions for the longer term. We will help to develop projects and portfolios to ensure they are investment ready and support Local Growth Plans.

We can:

- ▶ **Offer targeted support and help prioritise** – providing support with project and pipeline development, and helping MSAs prioritise investments at portfolio level.
- ▶ **Assess project viability and affordability** – providing support to create successful business cases which are financeable.
- ▶ **Provide a range of banking and advisory expertise** – to suit needs, helping with both earlier-stage project development, structuring funding solutions and crowding-in of private capital.
- ▶ **Provide NWF finance** – with options through our local authority lending, our Banking and Investments team offering equity/debt/guarantees, or a blended finance approach, requiring Government funding support.



Flagship project advisory support

We will provide focused longer-term support, drawing on our financial and commercial expertise. We will support flagship projects, prioritising Mayoral Strategic Authorities (MSAs), Core Cities, City Regions and devolved nations, who are not yet in our strategic partnerships programme.

We can:

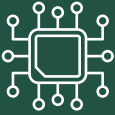
- ▶ **Review pipeline and delivery capability.**
- ▶ **Be flexible to meet partners' needs** – deploying our expertise to where we are needed most.



Clyde Metro, Glasgow City Region (GCR)

Through our new Strategic Partnership we will work with Glasgow City Region to help deliver The Clyde Metro project – a major transformation and transport project that can reshape public transport across the Region's population of almost two million people. It will offer a fully integrated Mass Transit public transport system that supports the region's economic ambitions and builds a better-connected west of Scotland through accessible sustainable transport designed around the needs of all.

Using our banking and investment expertise we will work in partnership to develop funding strategies, identify cost-saving opportunities and strengthen governance and accountability, supporting the development of this project and GCR's wider project pipeline, helping to shape and deliver investment opportunities for key infrastructure projects.



Local government knowledge service

A new digitally enabled/AI powered offering to build a community of local authorities and help bring forward projects which could prove viable and financeable.

Subject to discussion with local authorities, expected to include:

- ▶ **Making the most of technology and providing on-demand online resources** – harnessing digital technology and, over time, AI, including to help local authorities assess and improve project delivery.
- ▶ **Surgery support** – through 1:1 discussions, tailored to specific needs, drawing on our network across the UK.
- ▶ **Bespoke opportunities for collaboration and shared learning** – including conferences, webinars and workshops.



Low-cost lending direct to Local Authorities

£4bn lending capacity to local authorities throughout the UK, which we will use to support complex, transformational and higher-risk projects that align with Government priorities and regional and local ambitions.

We will:

- ▶ Continue to offer **low-cost lending at gilts +40bps**, prioritising strategically important projects, and structuring lending in a flexible way to suit the local authority's needs.
- ▶ **Provide bespoke funder project due diligence and review.**



Low carbon energy network, Solihull Council

Solihull Council's innovative new low carbon energy network will provide heating, hot water and electricity to a range of town centre buildings, helping to reduce fuel bills and future-proof against changes in customer energy needs. The first phase, which is being delivered by Vital Energi, is set to provide heat and power to town centre customers, with connections to planned commercial or residential developments in the longer-term.

This is the first heat network to receive funding from the NWF, via a £9.6m loan. This low-cost long-term financing option will enable the Council and its delivery partners to complete installation of the pipework for the first phase of the project.

Support beyond the NWF

Where appropriate, we will work collaboratively with other public bodies to shape the right funding solutions. If we are not the right entry point, we will help find the best route in. Other sources of support include Homes England, Government Office for Investment, the Ministry of Housing, Communities and Local Government, and Great British Energy. The Public Works Loans Board will still be available to lend to local authorities.

Our people and our organisation

We will now be doubling the size of our team to ensure we are well placed to deliver our new offer.

Want to know more or work with us?

Our expert team is waiting to talk to you:

Lorna Pimlott, Managing Director, Local Authority Function: lorna.pimlott@nationalwealthfund.org.uk

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