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Patrick Raleigh, Editor

## Levy banks to fund infrastructure projects

10 December 2012



Move could leverage £140bn in investments, argues ACE

London – Around £16 billion from the bank levy could be used to establish a State Investment Bank focused on investing in infrastructure projects, according to a report from the Association of Consultancy and Engineering (ACE).

The funding, argues ACE, would play a significant part in financing a State Investment Bank and enabling it to leverage investments of £140 billion across the UK's infrastructure.

The report suggests that the annual £2.6 billion raised by the bank levy could be used, alongside government borrowing and asset sales to generate funds, for an effective infrastructure bank.

These areas of financing could be worth £39.6 billion by 2017, and could in turn be used to leverage a further £80 billion of private investment. This process could be aligned with the government's targets for reducing public sector borrowing.

The UK is facing a massive challenge in financing projects crucial to the National Infrastructure Plan, according to Dr Nelson Ogunshakin, chief executive of ACE.

"If the government decided to develop a State Investment Bank to help tackle this challenge, money from the bank levy could play a role in rebalancing the UK economy and making the country more competitive. It could also help to create the certainty investors need to back new developments," he said.

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