

Wales Infrastructure Investment Plan 2012-22 Update

Purpose

- 1 This paper provides an update about the Welsh Government's plans to produce a mid-point report of the Wales Infrastructure Investment Plan (WIIP) and invites stakeholder views to inform this work.

Context

- 2 The WIIP is a 10-year plan published in 2012 as part of the Welsh Government's response to austerity and the need to provide economic stimulus. Its aim was to maximise Wales' capital spending power using existing resources and identify and leverage benefit from additional sources of funding and new innovative forms of finance. It sought to scope, prioritise and coordinate the delivery of major infrastructure investments in Wales.
- 3 The Welsh Government has been able to boost levels of investment and target projects which deliver benefits for the people of Wales – improving homes, schools and hospitals. We have made best use of our capital; our new borrowing powers and have developed the new innovative finance scheme – the Mutual Investment Model. This combination of traditional and innovative financing is helping us to deliver our ambitious infrastructure programme, which includes large scale strategic investments, such as the South Wales and North Wales Metros, the new Velindre Cancer Centre, band B of the 21st Century Schools Programme and the M4 relief road.
- 4 The Cabinet Secretary for Finance will be setting out the Welsh Government's investment priorities for capital funding in a mid-point report and update of the WIIP this spring. This will reflect changes to the economic and financial and political landscape since 2012, including the decision to leave the European Union; the National Assembly elections in 2016 and the publication of *Taking Wales Forward* and *Prosperity for All*.
- 5 The updated WIIP report will reflect the achievements, commitments and ambitions of the Welsh Government and will seek to support and inform the early work of the new National Infrastructure Commission for Wales on longer-term planning. It will also include an up-to-date pipeline of investments by the Welsh Government, local authorities and the private sector – rail, energy and water – to identify key investment opportunities; enable collaborative working and to attract and nurture the skills and expertise needed to deliver major infrastructure projects.
- 6 The Welsh Government continues to prioritise investment in infrastructure which supports vital public services and provides sustainable economic growth to support businesses in Wales.

Current capital spending plans

- 7 The Welsh Government's budget proposals for 2018-19 set out plans to invest £5bn capital over the next three years in projects across Wales. This includes an extra £173m for the South Wales Metro, bringing the total investment to £433m, and releasing an additional £340m, as part of our £1.4bn investment, in our flagship commitment to build 20,000 affordable homes over the lifetime of this Assembly term.
- 8 The final Budget, which was approved by the National Assembly on January 16, included some additional capital allocations, including £75m over the next three years to accelerate the delivery of the 21st Century Schools and Education programme and an additional £70m over the next two years to support improvements in the NHS.
- 9 The Cabinet Secretary for Finance will provide further detail about how the Welsh Government will maximise the use of capital funding available to deliver its priorities alongside the publication of the updated WIIP in the spring.

Stakeholder engagement

- 10 A programme of engagement with industry and investors is being undertaken to inform the mid-point report. This includes raising awareness among key stakeholders.
- 11 We welcome your views about how we embed the five ways of working in capital budget planning and how useful the pipeline of investment is and whether there is scope for improvement.
- 12 We will be taking on board stakeholder views over the coming months and intend to publish the updated WIIP in the spring.
- 13 To share your views, request further information and to take part in future stakeholder engagement events please contact Sarah Govier at the Welsh Treasury WIIPMailbox@gov.wales

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