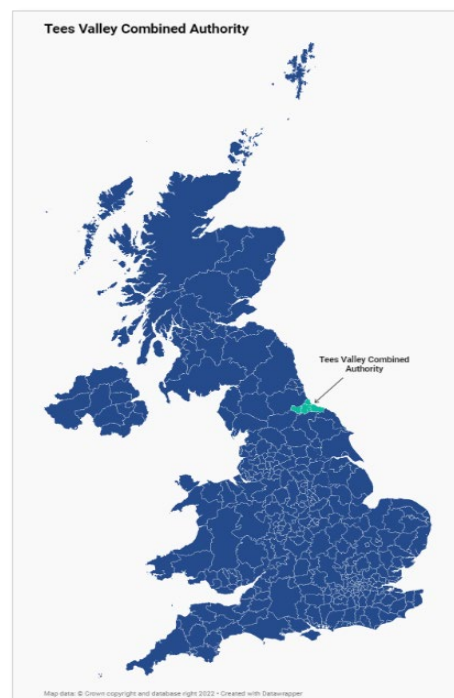


Tees Valley Combined Authority: South Bank Quay - factsheet

Deal Information	
Deal signed	24/10/2021
Project status	Live
Sector	Local Authority
Location	Tees Valley
Counterparty	Tees Valley Combined Authority ⁱ
Total Investment	£107m
UKIB Finance	LA Lending
Product	Local Authority



Summary

UKIB made a loan of £107m to the Tees Valley Combined Authority (TVCA) to finance the reinstatement of a 450-metre quay as part of wider brownfield industrial site regeneration including a proposed offshore wind turbine manufacturing centre. This project supports the government's target of achieving 50GW of offshore wind capacity by 2030ⁱⁱ. UKIB investment was needed to ensure these benefits are delivered without delay. This was the bank's first investment.

Sector context

This investment spans manufacturing, ports, and offshore wind sectors. Offshore wind is a major contributor to meeting net zero and is estimated to support 7,200 jobs in the UK. This could increase to as many as 90,000, as the sector scales up to meet the government's 50GW deployment target. The Tees Valley has been designated by Government as a Centre for Offshore Renewable Engineering, making it one of five strategic locations that will offer the

right infrastructure for offshore wind manufacturing, as well as access to a skilled workforce, experienced local supply chain and committed local leadership.

Impact and Additionality

The project supports our net zero transition as it is expected to facilitate the development of UK offshore wind supply chains. This investment supports our Regional and Local Economic Growth objectives by contributing to local employment opportunities, with around 800 created and safeguarded jobs in the Quayⁱⁱⁱ, supporting regional economic development. This will unlock significant further development of the site, including the Teesworks' Offshore Manufacturing Centre, which will open for up to three manufacturers in the supply and servicing of offshore wind farms.

ESRG considerations

The project was assessed for ESRG risks^{iv}. TVCA carried out a thorough qualitative assessment of ESRG related risks. The Environmental Impact Assessment (EIA) carried out by TVCA found that most of the environmental impacts were limited in time or scale and a commitment to 'compensatory measures' for any potential biodiversity displacement.

Impact Metrics

1	# Local Authority Deals (UKIB's first Local Authority Deal)
£107m	Total Investment in Sector
800	Jobs (Created and Safeguarded)
+ 409,200 tCO ₂ e	Emissions^v
N/A	Private Finance Mobilised^{vi}

Note: this factsheet has been completed retrospectively based on the information which was available to the bank at the time of investment decision making.

ⁱ Address of sponsor: Tees Valley Combined Authority, Darlington, DL2 1NJ

ⁱⁱ [Offshore Wind Net Zero Investment Roadmap](#) (published March 2023)

ⁱⁱⁱ Figure for first 3 years construction period, from a Vivid Economics report (not publicly available).

^{iv} UKIB developed its approach to ESRG over time, establishing a robust framework which is used to assess all current deals. Before this framework was finalised, a qualitative assessment based on the Equator Principles was carried out on investments.

^v Emissions estimates come from reports commissioned by the project sponsor. Number reflects construction of the Quay, and phase 1 of the Lichfields Manufacturing and Hinterland project, i.e. site preparation, as well as the operating emissions from the Quay over the term length. UKIB's share of these emissions is circa + 225,700 tCO₂e. GHG emissions figures are self-reported ex-ante estimates provided by the underlying company/project sponsor. The scope boundaries vary in each case and UKIB cannot guarantee alignment with the GHG protocol

^{vi} As a public sector deal, we do not claim any private finance mobilised