

*These notes refer to the Infrastructure (Financial Assistance) Act
2012 (c.16) which received Royal Assent on 31 October 2012*

INFRASTRUCTURE (FINANCIAL ASSISTANCE) ACT 2012

EXPLANATORY NOTES

SUMMARY AND BACKGROUND TO ACT

3. In July 2012, the Government announced the UK Guarantees scheme to accelerate and bring forward investment in major UK infrastructure projects in response to difficult market conditions. A key problem identified by the UK Government is that persons currently involved in providing infrastructure may find it difficult to obtain private finance. Difficulties in obtaining private finance arise not because of the commercial or economic viability of the individual infrastructure projects but because the capital and banking markets are currently constrained and providers of finance and insurance are taking significantly longer to approve lending to these projects. The Government has agreed in principle to make financial support available to infrastructure projects and this Act authorises expenditure incurred by the Treasury (or a Secretary of State with the consent of the Treasury) in connection with such support.