

# Turning Ambition into Investment

## THE CASE FOR A NATIONAL INVESTMENT DELIVERY UNIT

For far too long, chronic underinvestment in critical infrastructure has expanded regional disparities and pushed Britain to the bottom of the G7 and OECD league tables. The economic scars are visible across left-behind towns and households struggling to get by. Progress has been made, with the establishment of the National Wealth Fund and Great British Energy, but too often capital is stuck because of limited capacity to convert ideas into investable propositions. As the global competition for mobile investment heats up, the Chancellor must announce a new National Investment Delivery Unit at the upcoming Budget backed by £250 million, to turn bold ambition into commercial propositions and unlock billions in private capital.

**The new Government has begun to set out a bold plan for economic transformation.**

This means delivering good growth in every postcode, rewiring the state to put power and resources back in the hands of local leaders, driving investment and innovation to support communities and businesses across the country. Achieving this ambition needs a new way of delivering investment – one that is anchored in an assertive state proactively shaping opportunities. Success will define how fast the economy grows, how much people earn, and the tax government can raise to deliver high-quality public services.

**The Chancellor has an opportunity to leverage the UK's public finance institutions (PuFIs) to change the economy's trajectory.** Low investment and stagnant growth have squeezed wages and living standards leaving households exposed to external shocks. Had the UK matched G7 investment rates since 2000, cumulative investment would have been £1.9 trillion higher in 2025. But the UK has the underlying strengths to shape its future. It has some of the world's best universities pushing the frontiers of scientific research, backed by a leading financial centre translating cutting-edge ideas into new companies. The PuFIs have been given additional firepower to overcome barriers and bring growth to every postcode. The success of the UK's offshore wind deployment shows what is possible when an active state partners with finance and industry to drive growth.

**The UK needs to rebuild the bridge that connects capital to viable projects across the whole country.** The UK does not have a shortage of capital but insufficient projects coming to market that are investable. Projects face a number of market barriers that make it difficult to raise finance including coordination problems, revenue uncertainty, and a mismatch between project and investor needs. Austerity and Brexit exacerbated these problems by weakening the capacity of the state to build strong project pipelines and engage with investors. It also exacerbated regional inequalities leaving large parts of the country starved of the capital they need to grow.

**The Chancellor must use the Budget to back a new National Investment Delivery Unit (NIDU), committing £250 million (~0.15% of PuFin budgets) to get investment flowing at scale.** The NIDU will be a new project preparation facility that identifies, prepares, and structures projects aligned with delivering the Government's industrial strategy and energy security goals. A small upfront outlay from existing PuFin budgets have the potential to unlock orders of magnitude of private finance. There are opportunities for the UK to learn from international best practice as it designs the NIDU. Estimates from the Global Infrastructure Facility, a project preparation facility supporting developing economies, suggests that every dollar of support could mobilise \$50 of private investment.

**The NIDU should operate at two levels: blending top-down national strategy with bottom-up local priorities and operational capabilities.**

- **Scale the Regional Project Accelerator (RPA):** Mayors understand the strengths and barriers shaping their regional economies best, but mayoral authorities lack the capacity to build project pipelines and bring investment to their areas. The NWF's RPA has done excellent work co-developing investable opportunities with local leaders, including Manchester's Good Growth Fund. For devolution to be a success, the RPA needs to be scaled to serve every mayoral authority and build deeper links with other local authorities, embedding staff and resources within local government so that opportunities are shaped in partnership with local teams.
- **Establish a Strategic Programme Accelerator (SPA):** There is currently no entity responsible for translating the Government's bold ambitions on good growth and reindustrialisation into a deliverable project pipeline, guiding investment into national priorities. The UK risks losing out in the race to attract mobile investment. The SPA will bolster capability at the heart of government to identify high-level opportunities and break down government silos to structure and land nationally significant deals. It will connect successful models across the country so they can be replicated to mobilise investment at scale.

**Growing external threats and a cost of living crisis at home means that business as usual is no longer an option. It is time for the Chancellor to implement bold solutions that mobilise the power of the state to scale investment and jobs across the country and reindustrialise Britain's forgotten regions.**