

CHRIS HEATON-HARRIS MP



HOUSE OF COMMONS

LONDON SW1A 0AA

February 2017

Dear Constituent,

Thank you for contacting me about the Green Investment Bank (GIB).

First of all, I am proud of the work done by the Government to support green infrastructure through the GIB. The GIB has proven to be a pioneering venture into sustainable investment, and has now committed £2.6 billion of capital to 79 green infrastructure projects across the UK since its launch.

However, as the Independent Chair of the Bank, Lord Smith, has said, attracting new investors is vital if the GIB is to fund its ambitious plans to double the size of its business, expand into new parts of the green economy and deliver more environmental benefits. Indeed, the Government has always been clear that the GIB was designed with a view to a possible transfer to the private sector. The company was designed to leverage the maximum amount of private capital into green sectors for the minimum amount of public money. Moving the company into private ownership is a natural development that further delivers this aim.

It is with this in mind that plans to explore the privatisation of the Bank were announced in 2013. Since then, the Government and GIB have continued to work together to facilitate the introduction of private capital into the bank, and a two stage auction process was formally launched in March 2016.

While the detail of the sale process is commercially confidential, I can assure you that the Government has no interest in selling to an asset stripper. Potential investors have been asked to confirm their commitment to GIB's green values and investment principles, and how they propose to protect them, as part of their bids for the company. In addition, the Government has approved the creation of a special share, held by independent trustees, to protect GIB's green purposes in future.

Once again, thank you for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY