

# Environmental Audit Committee

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Rt Hon. Greg Clark MP

Secretary of State for Business, Energy and Industrial Strategy

20<sup>th</sup> December 2016

Dear Greg,

I am writing about the impending sale of the Green Investment Bank.

As you know, the Committee's 2016 report on 'The Future of the Green Investment Bank', argued that the ongoing protection of GIB's green identity should be regarded as the most important objective for any sale. The Committee noted that the wrong kind of sale could undermine GIB's future growth and its role in the green economy in the long term.

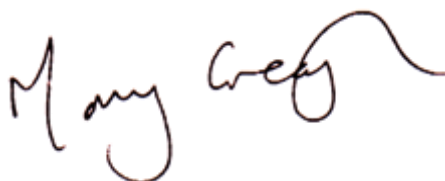
The Committee recommended that if the GIB were to be sold, it must be sold as a going concern, in a way that allows it to grow and flourish in the long-term. I am aware of reports that Macquarie are the Government's preferred bidders. You will know that Macquarie have already been subject to criticism for their management of other large infrastructure companies, such as Thames Water.

I would like to know what investigations the Government has undertaken to ensure that the bidders will respect the Green Purposes and long-term future of the Bank? In particular, I would like to know how much capital the bidders have committed to invest in the bank over the next 3-5 years? Will the preferred bidder, as a condition of the sale, be required to give an undertaking to the Government to provide significant new capital annually to that Bank?

I am pleased that the Government have accepted our recommendation to set up a special share and that special shareholders have been appointed. However, I would like to know what other mechanisms the Government intends to put in place to ensure that the GIB has a robust future as a green investment bank? How does the Government intend to ensure that, if the GIB is sold on, any future sale guarantees the green purposes of the Bank? How does the Government intend to ensure that any future owner does not break up the Bank?

It is essential that Parliament are informed of the proposed terms of any sale of the Bank before it is agreed and that the Government sets out any commitments made by the new owners to respect the green purposes of the Bank.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Mary Creagh', with a stylized flourish at the end.

**Mary Creagh MP**

**Chair of the Environmental Audit Committee**

