



Department
for Business
Innovation & Skills

Enterprise Bill: Green Investment Bank

Issue:

UK Green Investment Bank plc (GIB) was created and launched in 2012 as part of HMG's overall strategy for meeting its climate change and energy targets, with the specific role of investing on fully commercial terms to mobilise additional private sector finance into green infrastructure sectors that are suffering from a lack of investment. It is currently funded by 100% equity from HMG.

In June, the government announced its intention to move GIB into private ownership, subject to value for money considerations (see [Written Ministerial Statement dated 25 June 2015](#)). The government has published additional information on the policy background for GIB, its plans to bring in private capital, and the need to re-classify GIB to the private sector, in its policy statement "Future of UK Green Investment Bank plc"

(https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/477493/BIS-15-630-future-of-the-uk-green-investment-bank.pdf).

Measure:

Clause 29 will repeal the majority of Part One of the Enterprise & Regulatory Reform Act (ERRA) 2013 following a sale of shares in GIB. The Secretary of State's dedicated power to provide funding to GIB will be retained as will the requirement for him to lay a copy of GIB's annual report before Parliament each year all the while he is a shareholder in the company. The clause will also introduce a requirement on the government to report to Parliament setting out its plans for a sale of GIB before the repeal of legislation can come into effect. In addition, the government will report back to both Houses after a sale has taken place – both these reports must also be sent to Ministers in the Devolved Administrations.

Aims and Impact:

The measure will facilitate the government's announced intention to move GIB into private ownership by removing statutory provisions that provide for state control over the corporate policy of GIB. This will enable the company to be re classified to the private sector following a majority sale meaning a privately owned GIB would be able to borrow and raise capital as appropriate to fund the green investment opportunities it finds, without impacting public sector debt.