

# Reactions to the Green Investment Bank announcement

✘ *The news that the Green Investment Bank is coming here has already engendered many comments today, all welcoming the setting up of the bank in the Scottish capital.*

The Business Secretary Vince Cable announced this morning that the first ever UK Green Investment Bank (GIB) will be based in Edinburgh and London.

The headquarters of the GIB will be located in Edinburgh, with the GIB's main transaction team based in London. This arrangement will enable a greater commercial reach nationally than could be achieved from one location.

Sitting the bank across these two locations will enable the GIB to become a world leader, playing to the strengths of Edinburgh and London.

Business Secretary, Vince Cable, said: "Harnessing the strengths of Edinburgh and London will support the Green Investment Bank's ambition to become a world leader. Edinburgh has a thriving green sector and respected expertise in areas such as asset management. London, as the world's leading financial centre, will ensure that the GIB's transaction team can hit the ground running.

"This decision will allow the GIB to operate effectively and achieve its mission of mobilising the additional investment needed to accelerate the UK's transition to a green economy."

First Minister Alex Salmond today welcomed the announcement. The First Minister said:-

"I am delighted that Edinburgh has been chosen on its merits as the headquarters for the Green Investment Bank.

“The decision recognises Scotland’s position at the vanguard of the renewables revolution and follows an excellent and professional bid campaign. It is great news for Edinburgh’s economy and for Scotland’s thriving low carbon sector.

“It demonstrates the effectiveness of the unity built across the political spectrum, across all parts of Scotland with support from Glasgow and Edinburgh City Councils, and across our Universities, to argue Edinburgh’s and Scotland’s case, and also the importance of the £103 million from Scotland’s Fossil Fuel Levy that we agreed to support the capitalisation of the Green Investment Bank. This is a good early return on Scotland’s investment.

“In terms of green energy, the UK needs Scotland’s target of 100 per cent of Scottish electricity demand coming from renewables by 2020 in order to achieve Westminster’s targets under the Renewable Energy Directive – Scotland is estimated to contribute 30 per cent of the UK’s renewables target.

“Edinburgh is the only location to bring together both finance and the clean energy industry in a single location, and has an unrivalled concentration of industry skills and experience, a point made clearly by the leading role played by our Financial Services Advisory Board. It makes every sense to locate the Green Investment Bank headquarters in Edinburgh, and now we must all get to work on the crucially important job of channeling investment into low carbon projects to move the sector onto a strong commercial footing.

“Now that this welcome decision has been made, I look forward to the establishment of the headquarters in Scotland, and to receiving details of the number of new jobs it will bring and the bank’s structure.”

Scottish Secretary Michael Moore welcomed the news, commenting:- “I am delighted that the Green Investment Bank will be headquartered in Edinburgh. Scotland has enormous

green energy potential and its capital is the UK's second biggest financial centre.

“The size and scale of the UK's single energy market ensures the level of investment that will unlock Scotland's renewables future, providing sustainable and affordable green energy across the UK. It makes perfect sense to have a GIB presence there.

“By basing the GIB's corporate HQ, asset management and administrative functions in Edinburgh and its transaction team in London, we can harness expertise across the country to deliver a strong and successful GIB for the UK.”

The next step for the GIB is the recruitment of the Chair and Senior Independent Director so that it will be in a position to be fully operational this Autumn, subject to state aid approval for the GIB. The GIB is expected to employ 50-70 full time equivalent staff across the two sites.

✘ Council Leader Councillor Jenny Dawe said:

“This is fantastic news for the city and Scotland as a whole. We made a compelling case based on Edinburgh 's financial strength and rapidly developing clean energy hub. As the Business Secretary said, Edinburgh 's strengths will enable the bank to become a world leader in its field, supporting investment in a greener economy.”

“This wouldn't have been possible without the support of the Edinburgh business community, the Scottish Government, other Scottish councils and a range of organisations that have given their backing to the city's bid. I'm hugely grateful for all the hard work that has gone in to securing the bank for Scotland .”

Alyn Smith, SNP MEP and Member of the European Parliament's

Energy Committee, and Edinburgh resident, has today welcomed the news.

Alyn said:-“This is the right decision, and is good news for Scotland.

“Edinburgh was one of 19 cities in the running to site the headquarters of the bank. The GIB will set up with £3bn of public money to help firms finance early-stage renewable energy schemes. Climate change is bigger than any one country and it is right that the EU is, in turn, also committing real cash to real projects. Scotland has a natural comparative advantage in renewables, finance and green tech, so it is only natural that the Bank should be based in Edinburgh and work across borders to encourage projects.

“We had a uniquely compelling case to site the bank in Edinburgh; Scotland has a unique mix of natural resource, cutting edge research and practical engineering expertise. International heavyweight companies are already active in the sector and our human social geography means you can get everyone into one room and collaboration is natural.

Speaking to The Edinburgh Reporter Smith continued:-“Of course, we await much of the detail on the proposal. I look forward to hearing about job specs, the location of the HQ and how it will be structured. While I understand the intention is for some of the GIB’s functions to be based in the City of London, I would be keen to see all senior and operational staff to be based, permanently, in Edinburgh. By all means the GIB may feel the need some satellite operations in London, or indeed Frankfurt, Paris, Tokyo or Dubai for that matter, but if the actual operational headquarters is not in Edinburgh then this will be viewed with some scepticism.

“Scotland has a natural comparative advantage as the HQ location, and given we have been promised the GIB will operate as a commercial entity – an assurance I’ll accept at face

value – then there is a clear case for it being here. If on the other hand it is a politically driven exercise in window dressing and spin then it will soon be shown to be something of an irrelevance and our Green economic potential deserves better.”

Friends of the Earth Scotland’s Chief Executive, Stan Blackley, said:

“This is great news. Edinburgh’s was always the natural and logical location for the Green Investment Bank given its unique combination of renewable energy and financial infrastructure and expertise. Basing the Bank in Edinburgh will further boost Scotland’s vital progress with green technologies and renewable energy.

“While the location of the Bank is important, what is absolutely crucial is that it has real teeth. It can’t just be simply be a government fund, but needs to have full borrowing and lending powers from day one. A flourishing Green Investment Bank will be vital to drive the billions of pounds of low-carbon energy investment and job creation that is required. It’s worked brilliantly in Germany and it can be work here in the UK as well.”

“Moreover, other Scottish banks, such as the taxpayer-owned Royal Bank of Scotland, need to clean up their acts, stop investing in high carbon, environmentally damaging projects such as Canadian tar sands, new coal power stations and deepwater oil drilling, and move to more ethical investments and activities. The Green Investment Bank can assist in this by setting a new ethical standard and leading by example.”

Celebrating the news the city’s Chamber of Commerce today celebrated this ‘once-in-a-generation’ opportunity.

Responding to the announcement from the UK Minister for Business, Innovation and Skills, The Rt Hon Vince Cable MP, that Edinburgh had beaten off competition from 31 other cities

to win the bid, Robert Carr, President of Edinburgh Chamber, said: "This is a real triumph for Edinburgh- and I'm very proud that its Chamber of Commerce led the way by launching the campaign over a year ago.

"We have been recognised as the right location for the GIB on the merits of our case- and I'm grateful to the many public and private sector organisations who contributed to develop such a compelling case for our city.

"This is a once-in-a-generation opportunity, not just to leverage private sector investment in renewable and low carbon projects- but to locate Edinburgh at the epicentre of Europe's green energy revolution.

"We are celebrating today. Tomorrow, work must start immediately to live up to the faith that has been placed in us by UK Ministers- by delivering a Green Investment Bank that attracts investment and assembles projects- the length and breadth of the United Kingdom."

The Federation of Small Businesses in Edinburgh welcomed today's announcement by Business Secretary Vince Cable MP that the headquarters of the Green Investment Bank will be located in Edinburgh.

Edinburgh FSB Chairperson Ruth McKay commented: "This is great news for Edinburgh and is a big vote of confidence in the city. Edinburgh is a fantastic place to run a business and already boasts some World leading green and renewable enterprises. There are many opportunities in this exciting new sector for businesses of all sizes meaning new jobs and investment in our economy."

"Edinburgh has a proud history of financial services and innovation and I'm glad this has been recognised by the Business Secretary today."

Commenting on the announcement Edinburgh's Liberal Democrat

MP Mike Crockart said:

“The Business Secretary has today made the right decision and made it for the right reasons. For the past 16 months I have been arguing that Edinburgh is the best choice for the location of the Green Investment Bank because of its strength in depth in both financial services and green technology. It is this co-location that will make the bank a success and make Edinburgh a European centre of excellence for green investment.

“Throughout that time I have been championing Edinburgh as the natural home of the Green Investment Bank. The city’s bid team put together an exceptional case for our capital and today’s announcement reflects that.

“Edinburgh’s case was supported by a group which started with the Edinburgh Chamber of Commerce but grew to encompass more than 25 partners representing the best from the public and private sectors. Edinburgh’s team has set the agenda from the start and helped to clarify the criteria for siting the ground-breaking institution.

“The bank will play a vital role in our transition to a low-carbon economy and will provide a welcome boost to the city’s economy, bringing with it an initial £3 billion to invest in green projects as well as the creation of 50-70 jobs by 2015.

“The investment bank is another way in which the Liberal Democrats in Government are working to rebalance our economy; making it more sustainable whilst also meeting green credentials.

“In his speech on the future of Scotland in Edinburgh the Prime Minister described Scotland as a ‘pioneering country’. Today the UK Government has demonstrated its belief in Edinburgh as a pioneer of the green revolution and a vital part of the UK’s drive towards a sustainable and green future.”

Martin McAdam, Chief Executive Officer of Edinburgh wave energy company Aquamarine Power said:-

“The announcement today that the Green Investment Bank will locate in Edinburgh is tremendous news for Scotland’s green energy sector.

“Scotland already has a genuine global lead in marine energy technologies, underlined by major £multi-million inward investment by companies such as Gamesa, ABB, Mitsubishi Power Systems and Samsung Heavy Industries.

“The Green Investment Bank will build on this lead and enable businesses such as Aquamarine Power to leverage the significant private sector capital which will allow the UK’s green energy sector to flourish. I am delighted it will be headquartered in Edinburgh.”

This is a report prepared for the Department of Business Innovation and Skills on the policy and finance context for the bank:-

[12 553 Green Investment Bank Policy and Finance Context](#)