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Minister for Parliamentary Business and Veterans

Cc:
Convener to the Economy, Energy and Fair Work Committee
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Missions for the Scottish National Investment Bank

Further to my recent statement to the Scottish Parliament I am pleased to write to confirm that the strategic missions for the Scottish National Investment Bank (the Bank) have been set and issued. This fulfils the requirement laid out in the Scottish National Investment Bank Act 2020 to notify Parliament of the missions set for the Bank and the role the public consultation has played in the development of the missions.

Each of the missions outlined below has been designed in line with the recommendations made within “A Mission-Oriented Framework for the Scottish National Investment Bank”¹. They each speak to the key challenges that Scotland is currently facing; the impact of COVID 19 on Scotland’s economy underlines the need for the Bank and the missions remain strongly aligned to the steps and activity that will need to be taken as Scotland emerges out of the Covid emergency.

We have consulted extensively on these missions, including the public and parliamentary consultation earlier this year. Further details of this have been outlined in Annex A.

¹ https://www.ucl.ac.uk/bartlett/public-purpose/sites/public-purpose/files/mission-oriented-framework-for-snib_final.pdf

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These missions, together with the Bank's long-term, strategic focus, offer opportunities to contribute to building a more robust, dynamic, fair and resilient economy for Scotland.

Please find below the three confirmed missions:

Grand Challenge 1: Climate Emergency
Mission 1 (Net Zero Mission): Achieving a Just Transition to net zero carbon emissions by 2045. Invest in rebalancing our economy towards leadership in sustainable technology, services and industries.

Grand Challenge 2: Place-Based Opportunity
Mission 2 (Place Mission): Extending equality of opportunity through improving places by 2040. Invest in places and regeneration to reduce inequality, and improve opportunities and outcomes for people and communities.

Grand Challenge 3: Demographic Change
Mission 3 (People Mission): Harnessing innovation to enable our people to flourish by 2040. Invest in innovation and industries of the future for a healthier, more resilient and productive population.

Work is ongoing within the Bank to determine how it will respond to and report against these missions. The Scottish Government will remain in touch with progress on this as part of its shareholder and sponsor roles.

Your sincerely

*Kind regards
Fiona Hyslop*

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Supplementary Information on the development of Bank missions.

The results from the consultation process undertaken about the Scottish Government's proposed missions for the Bank made it clear that there is strong support for these missions, and there is agreement amongst stakeholders that they speak to the key challenges facing Scotland. The structure of these missions were in line with the recommendations made within "A Mission-Oriented Framework for the Scottish National Investment Bank" authored by Professor Mariana Mazzucato and Laurie Macfarlane from the UCL Institute for Innovation and Public Purpose. Please find below a brief outline of the process which led to these missions and links to the consultations that have taken place;

- [The Scottish National Investment Bank Implementation Plan 2018](#)²
- [Consultation on the Scottish National Investment Bank Bill](#)³
- [Scottish National Investment Bank missions: consultation](#)⁴

The 2018 Implementation Plan for the Bank stated that any missions should align to economic policy priorities of the Scottish Government. While it was out-with the scope of the Implementation Plan to recommend specific missions, the following examples were suggested:

- Transitioning to a low carbon economy, including decarbonisation of the transport network;
- Promoting inclusive growth through place-making and local regeneration, including site preparation, infrastructure (transport and communication links) housing and related commercial, education and health investment; and,
- Responding to emerging demographic pressures, including the twin challenges of an ageing population and wider population health.

Further general stakeholder engagement over 2018-2020 helped drive the development of these principles into the missions now set for the Bank.

The final proposal to set missions for the Scottish National Investment Bank⁵ was laid in the Scottish Parliament on 28 August for a period of 40 days.

² [Scottish National Investment Bank: Implementation Plan \(www.gov.scot\)](#)

³ [https://consult.gov.scot/economic-policy-unit/scottish-national-investment-bank-1/user_uploads/251308_sct0818434918-001_snib_p4--002-.pdf#:~:text=Last September%2C the First Minister announced plans to institution and cornerstone body in Scotland's economic architecture.](https://consult.gov.scot/economic-policy-unit/scottish-national-investment-bank-1/user_uploads/251308_sct0818434918-001_snib_p4--002-.pdf#:~:text=Last%20September%2C%20the%20First%20Minister%20announced%20plans%20to%20institution%20and%20cornerstone%20body%20in%20Scotland's%20economic%20architecture.)

⁴ [Scottish National Investment Bank missions: consultation - gov.scot \(www.gov.scot\)](#)

⁵ <https://www.gov.scot/publications/proposal-set-missions-scottish-national-investment-bank/>

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During this period the Chair-designate, the CEO-designate, and the Cabinet Secretary for Economy, Fair Work and Culture all appeared before the Economy, Energy and Fair Work (EEFW) Committee to answer questions about the Bank, including the proposed missions.

As part of this process an open call for views was requested by the EEFW Committee which generated four submissions. These submissions helped guide the EEFW Committee questions and considerations, and influenced the EEFW report⁶.

Further to these submissions the Scottish Government also received a further three submissions. These were analysed individually and have been used in combination with the EEFW findings to inform and finalise the missions for the Bank.

All submissions received were generally supportive of the proposed missions. For example, responses from Friends of the Earth and the Industrial Biotechnology Innovation Centre showed support for the net zero mission; and Homes for Scotland issued a response reinforcing their support for the place mission.

All other responses agreed with the three proposed missions, though did raise key considerations that the Bank is already cognisant of around: gender equality; the third sector being considered alongside businesses for investment; ensuring a smooth incorporation of transitioning enterprises to the Bank for support; and constructing a framework to identify the Bank's impact on the financial landscape of Scotland.

The missions are expected to endure over a long timescale recognising the scale, long-term and persistent nature of the challenges to be addressed. Given the Bank's focus on strategic and patient investment it is also appreciated that returns on the Bank's investments, whether financial or non-financial, will take time to materialise.

I know that the Bank recognises it must deliver impact against its missions through its early investments and to cover its operating costs from investment income by 2024, but that progress against the missions does not need to be limited or constrained by an expectation of a financial return. I welcomed the comments made by the Chair of the Scottish National Investment Bank, Willie Watt, to the EEFW Committee which that both benefits under the missions and a commercial return are possible.

⁶ <https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/115958.aspx>

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