

SCOTTISH NATIONAL INVESTMENT BANK UPDATE

Background

The Programme for Government 2017-18 committed to establish a Scottish National Investment Bank. An Implementation Plan was published in February 2018 setting out a strategic blueprint for the Bank as an institution. The Government accepted the Implementation Plan's 21 recommendations and that approach was endorsed by the Parliament in May 2018.

Benny Higgins has been appointed as Strategic Adviser to the First Minister on the establishment of the Bank.

The Bank will be constituted as a public company limited by shares, with Ministers as the sole initial shareholder. It will operate on a commercial basis at all stages of the investment life-cycle and, whilst taking a mission-oriented approach as set out below, will be operationally independent.

Ministers will periodically set missions for the Bank to ensure that the Bank's approach to investment aligns with the Scottish Government's economic priorities. The Implementation Plan identified possible transformative missions for the Bank which reflected the priorities set out in the September 2017 Programme for Government: transitioning to a low carbon economy; responding to an ageing population and wider population health; and promoting inclusive growth through place-making and regeneration.

The Scottish Government has committed to providing £2 billion over 10 years to initially capitalise the Bank. An initial £490 million of capital is to come from a combination of investments to be made through the £150 million Building Scotland Fund, and a further £340 million which was committed to in the 2018-19 Draft Budget.

The SNIB will aim to:

- Support businesses across all stages of business growth and investment lifecycle
- Complement existing private and public contributions to the economic well-being of Scotland
- Support innovative businesses to catalyse private sector investment, providing a single point of access to investment.

Legislation

The 2018-19 Programme for Government committed to introduce a Bill early in 2019 to support the establishment and capitalisation of the Bank so that from 2020 the Bank will be investing in our businesses and communities.

Consultation

A public consultation was published on 5 September and is open to responses until 31 October. The consultation focusses on the Bank's objectives, purpose and governance, as well as its relationship with Ministers and stakeholders.

Responses to that consultation will help to shape the Bank's Articles of Association and what is set out in the draft Bill and accompanying documents, planned for introduction early in 2019.

We will listen to views on priorities for investment and governance of the Bank. They will inform the proposals in the draft Bill that will pave the way for the Bank and help build an institution with the right values, vision and purpose.

CoHI

We would encourage Convention members to engage with the SNIB team throughout the implementation process and take part in the consultation.

Some questions members might consider are:

- **How should the governance of the Bank be established to enable it to act commercially whilst delivering its mission-oriented approach? What role might wider stakeholders and civic Scotland have in supporting this?**
- **Will the example missions support the Bank to deliver the desired impact across Scotland and particularly in the Highlands and Islands? Are there other priorities that should be considered?**
- **What elements should be included in the Bank's Investment Strategy?**
- **How could an ethical approach for the Bank be set out?**
- **What opportunities are there to support businesses in the Highlands and Islands that the Bank can specifically address?**