



The Scottish Parliament
Pàrlamaid na h-Alba

Public Audit Committee

Mr Willie Watt
Chair
Scottish National Investment Bank

6 October 2025

Dear Mr Watt

Scottish National Investment Bank

I am writing on behalf of the Public Audit Committee following [your attendance on 25 June 2025](#). Thank you for your evidence and for the [follow up correspondence](#) you provided.

As you know, the Committee held [a further session on 10 September 2025](#) to take evidence from the Scottish Government on the AGS's report.

We would like to give you an opportunity to provide any further reflections or comments following that evidence session, including on areas where the Bank has sought support or action from the Scottish Government but has not yet received it.

In your evidence, you noted that resolving the financial flexibility issues created by Treasury rules might require both changes to those rules and potentially legislative changes by both the UK and the Scottish Government. You said:

“The UK development banks would require UK legislation, but we would probably require Scottish Government legislation as well. The complexity is that our funding comes through the devolved settlement rather than direct from the Treasury so there is an additional layer of financial rules that would require to be amended”

The Committee also noted some uncertainty on the legislative point, and you indicated that you would provide in writing any research the Bank had carried out on this matter. For ease of reference, the exchanges took place at col 4 and at col 16 of the [Official Report](#) for the session.

The Committee would be grateful if you could provide any further information or analysis the Bank has undertaken on whether legislative change is required or whether reform of Treasury rules alone would be sufficient.

Contact: Public Audit Committee, The Scottish Parliament, Edinburgh, EH99 1SP.
Email publicaudit.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

This would assist the Committee in understanding the Bank's position and potential routes forward.

We have also written to the Scottish Government seeking clarification on a number of issues which arose during our session with them.

We should be grateful for a response to this letter by **3 November 2025**.

Yours sincerely,

A handwritten signature in black ink that reads "Richard Leonard". The script is cursive and fluid.

Richard Leonard MSP

Convener