

## **Paper SB(19.06.18)(02)**

### **Note of Strategic Board Meeting – Thursday 17 May 2018**

#### **Item 1. Apologies and conflicts of interest**

The Chair advised that apologies had been received from Karen Betts. There were no issues raised as conflicts of interest.

#### **Item 2. Chair's update**

The Chair set out the engagement that had been undertaken, including with the First Minister, other relevant Ministers and the Scottish Government's Economy Board. Her sense was that there was a real appetite for collaboration, alignment of activity (including with other private and public bodies) and a common purpose behind making Scotland a better place to live and work. An element that came through strongly was the sense of place and the importance of that in relation to the wider national strategy.

#### **Item 3. Minutes of Last Meeting and Matters Arising**

One change was requested to the fourth bullet discussing fair work and productivity under Item 7 - Strategic Plan Route Map – to remove the words "(more akin to an outcome), with the Board settling around the latter".

On this basis the minutes were agreed.

#### **Item 4. Terms of Reference**

The Chair advised there had been further development since the last meeting.

The Board considered the proposed changes and concluded as follows:

1. The Board recognised the concerns over Aim 3 around the Board holding the agencies to account. The words "in partnership with Ministers" should be added;
2. The changes proposed for the Board's role should all be accepted, except the addition of the words "engaging with and" in bullet 4, which were unnecessary;
3. Proposed changes under Governance were discussed. While the Board recognised the concern, following the change to Aim 3 which was helpful in this context, the Board concluded that formal statutory arrangements between Ministers and the agencies were defined elsewhere.

It was commented that the terms don't strongly express a global mind set. However it was agreed that this doesn't necessarily need to be in terms of reference and may be more for external communications.

The Board agreed the Terms of Reference on this basis.

#### **Item 5. Enterprise and Skills Review Workstream Status**

The overview was noted and it was requested that this should continue periodically. It was noted that the Director of Skills alignment appointment had been made.

It was requested that the when/if the collaborative actions are used for the Strategic Plan they should be rewritten and given context to help them be more understandable. The narrative should give greater context to the actions and activities

## **Item 6. Outline Strategic Plan: Overview**

Sam Anson, the Scottish Government's Head of Economic Policy and Capability Division, set out the scope of the Outline Strategic Plan (OSP).

Discussion followed:

- It was commented that language should be made plainer (including for a business audience), and a rationale provided for the chosen missions in terms of driving inclusive economic growth.
- It should be clear how the Strategic Plan sits alongside the SG's economic strategy.
- Clarity on timelines for the missions was requested – including engagement over the summer.
- The "How we work" section should note existing work on business planning cycles and collaborative work undertaken to date.
- It should be specific in talking about accountability of businesses.
- Narrative should link back to the E & S Review and show subsequent actions.
- The mission teams will need appropriate capability and capacity.
- There ought to be greater emphasis on SMEs.
- A section should be added to cover Resources and Structures

**Action - agencies to identify resource to support the mission teams.**

**Action - an editor should be identified for ongoing drafting**

## **Item 7. Analytical Unit (AU) Proposed Work Programme and Resource**

Stephen Boyle introduced his paper emphasising that measuring impact was a key area of focus but that it will take time to identify consistent, common measurement framework. He asked the Board to approve the work programme and the resource requirements he had set out. It was also recognised that the AU may need to cover the acquisition of data from elsewhere.

There followed a general discussion:

- AU activity is likely to focus on collaborative areas and / or interventions with high-expenditure. There is also opportunity to extend the existing measurement that agencies undertake.
- The AU should make sure it is open to scrutiny.
- The AU's work is not about 'reinventing the wheel' – rather it is to bring a strategic element to existing data and insight.
- The AU has an independence to the system, but must be complementary and synergetic to the work of others.
- A common and impactful measurement system was important.

- Resourcing is critical. SG's guidance to agencies required them to support the Board – either in the form of people or financial contribution. SG is also contributing resource.

The Board approved the work plan and endorsed the resource requirement. The Board requested further discussion with agencies and SG to agree resource levels.

**Action: Stephen Boyle to propose and agree funding and resource with agency CEOs and the SG.**

## **Item 8. Missions and Performance Framework**

With regards to the Missions, Stephen Boyle introduced his paper, setting out that:

- 1) The main purpose is to identify mission priorities to incorporate into the Strategic Plan.
- 2) Missions have been proposed either because they enhance economic performance or play into the Board's forward looking agenda.
- 3) Two or more Board members will lead each team, supported by a wider working group.
- 4) The Board should look to agree which missions to focus on initially. It was suggested that 5 might be appropriate. Other mission themes would be explored as part of a next tranche.

A general discussion then followed:

- It would be important to incorporate “stop points” – if the Missions get to a point where they realise there is little progress or if there is little evidence to show interventions would make a difference to economic growth then they should stop.
- With regard to Business Creation and Growth, the Board needs to be cognisant of legislative and financial barriers on company growth.
- Need to balance short- and long-term actions. This would assist in directing decision-making guidance to politicians.
- It would be necessary to address the interrelationships *between* the missions.
- Work should build on strengths of current interventions as well as address gaps where new interventions could make a difference.
- Phase 1 missions were agreed as business creation and growth, business models and management quality (subsequently agreed as business models and workplace innovation); skills for the future; and exports.
- Fair work, regional/place, digital adoption and equality, sustainability and wellbeing elements should be mainstreamed across all the missions.

**Action: Stephen to circulate a more fleshed out version of the table at end of paper 6.**

## **Item 9. Outline performance framework**

Stephen Boyle introduced his paper. Board members have been emphatic that the performance framework (PF) should be clear and simple. It should also be:

- Strategic rather than operational;

- Plausible: when an agency takes “action x” it should evidently lead to “outcome y”; and;
- Pragmatic: in selecting elements of the framework the best should not be the enemy of the good.

It was suggested that there should be a regional element – to take account of regional partnerships and regional economic blocks. The Board should align the Inclusive Growth framework with the Board’s framework so that the two inter-relate.

**Action: Stephen to look to align the Board’s framework with the Inclusive growth framework so that the two inter-relate.**

### **Item 9. Agency collaboration, alignment and culture change**

Bob Keiller set out that the E&S Review made a step change in the emphasis on collaboration. This area was initially primarily for the CEOs before considering how to bring in the executive teams, and after that wider staff.

It should start with leadership. The agencies are looking to develop common values. A meeting of staff from the agencies is set up for 06 June in Perth, and will use an external facilitator. The outcomes of this will be taken back to the CEOs to ask “what do we do next”? It was agreed to run it without the CEOs in the room. The South of Scotland Economic Partnership would be invited.

There then followed a general discussion, covering:

- It was important to focus on a high-performing collaborative culture in the space where intervention was being delivered jointly. It is not realistic for cultures to be the same – so focus in on that collaborative space.
- Leadership should drive a change of culture from the top – there should be a plan from CEOs around a high-performing collaborative culture.
- The Board agreed that Audrey Cumberland might usefully work with the agency CEO committee.
- It was suggested that the timeframe for change covered too long a period. The Board was keen for the process to create the culture framework should be accelerated.
- There was recognition that people are already collaborating better – are there further examples the Board be made aware of?
- Businesses should be able to see change work for them.
- The focus is on the agencies but the work needs to acknowledge the wider system (including SG and local government). At regional level there are some good examples – e.g. the Ayrshires.
- There was a suggestion of cross-agency engagement with the unions. SDS has seen the unions play a big part in the culture change there.
- SOSEP needs to be part of this work and not do something separate.

The Board then discussed the importance of measuring culture change. Stephen Boyle will take forward areas of measurement (with input from agencies and Board members).

It was suggested that there were three levels to consider: 1) conditions for collaboration – these are hygiene issues; 2) points of intersection – more of these should emerge, e.g. agency fluid staff, and; 3) culture. If the Board can get traction on these three then that would be significant progress.

**Action: Audrey and Nora to work with Bob to see how a measurement framework for culture change and collaboration might be developed.**

#### **Item 10. The customer experience: business user**

Mary McAllan set out that this work goes beyond the agencies and that Business Gateway has been part of it. The project has developed a granular understanding of what the user experiences. There are huge technical challenges to overcome with limited resource, and there is also a cultural challenge.

Jane Martin from Scottish Enterprise and Sandra Dunbar from HIE then presented on the business user experience:

The work is about simplifying the system, but there is also an efficiency piece - upselling and smarter delivery – the goal is to genuinely have a real time database on business capacity and needs to feed different solutions.

There is need for delivery of a system that is aligned but also allows local flexibility.

The customer experience is critical – the agencies worked with SG, Business Gateway and others to develop considerable insight. They see a system that is paper heavy, difficult to navigate and not collaborative enough.

A huge amount of engineering is required – so there is a need to approach progress iteratively.

Local Authorities have now signed a data sharing agreement which unlocks potential. In relation to Business Gateway, the work is looking at current infrastructure. The existing sites can use a design strategy to make them all look like a family. Ultimately looking at a single data system with cross visibility and one client record.

In tandem with the systems review, there is an agency wide training programme in process or planned.

EIS can help bring their capacity to accelerate progress – Damien Yeates had offered to help bring that together.

There was a question around the ability of customers to access the systems through broadband. This is a business transformation strategy of which digital is one element. Access to support will be through different routes and it shouldn't make any difference which one was used by the customer.

There was a question about how much this will affect roles and staff and how the work is going about dealing with that. The project leads are working with staff and recognise that that element is just as difficult – it requires training, and there is a cultural element.

There was the suggestion that a single landing page would be helpful and also that a single data entry requirement should be the goal.

**The Board requested that the project inform them by the end of August what is needed to move it forward, and how the Board can help.**

### **Item 11. Customer Journey the 15-24 learner journey**

Aileen McKechnie, SG Director of Advanced Learning and Science and Dominic Munro, SG Director for Fair Work, Employability and Skills introduced their papers on the Learner Journey Review and enhancing skills of the existing workforce respectively.

Aileen set out areas of improvement identified by the Learner Journey Review and pointed to some areas where the Board might have a particular role around improved advice, improved provision and strategic alignment to drive greater collaboration across the education & skills system, including with employers. The Board was considered to have a key role in the shared vision space.

Dominic followed by presenting on enhancing skills of the existing workforce, which was a key labour market issue. Areas covered included demographics, technological disruption, changes in the types of jobs and skills required and how this related to productivity.

General discussion followed:

- More labour market information is required in the system.
- Part of challenge will be how to deal with the institutions.
- Delivery has to require strong leadership – so the Board has a role to play.
- There is a demand issue - how to get more companies demanding the skilled labour.
- There is an absence of provision of digital skills. In Malaysia they see digital skills provision as a way to advance social mobility.
- The Board should pursue the efficacy of the learning – for example the horizontal skills which mean people are adaptable. This is important for skilling and reskilling.

**Action: A Board to volunteer to become a member of the DYW Group.**

### **Item 12. Communications and Engagement**

It was agreed that the agencies would all propose a single comms and engagement lead to form a cross-agency group. The group would develop an outline plan of how to launch the OSP.

The Chair agreed to pass around Message House when complete.

### **Item 13. AOB**

Future meetings: Currently, dates are in diaries for: June, July, September and November.

In order to better fit the meetings around the key milestones of June for the OSP and October for the Strategic Plan, the Board agreed to move the July meeting to August and bring the November one back to October.

**Action: Secretariat to pursue dates for the changed meetings**