

Paper SB(25.09.19)(01)

Note of Strategic Board 27 June 2019 – Enterprise and Skills Strategic Board

Oil and Gas UK, 3rd Floor, The Exchange 2, 62 Market Street, Aberdeen AB11 5PJ

Attendees:

Members: Nora Senior (Chair), Cabinet Secretary for Finance, Economy and Fair Work Derek Mackay MSP, Liz Cameron, Steven Heddle, Grahame Smith, Willie Mackie, Mike Cantlay, Wendy Alexander, Russel Griggs, Poonam Gupta, Audrey Cumberland, Jeannette Forbes,

Other attendees: Charlie Smith (SE), Caroll Buxton (HIE), Karen Watt (SFC) Dominic Munro (SG), Liz Ditchburn (SG), Stephen Boyle (AU) (Dialled in), Stuart King (AU), Richard Rollison (SG), Damien Yeates (SDS), Alistair Dodds (HIE), Gordon McGuinness (SDS), Jane Martin (SE), Nicola Douglas (HIE), Alastair Paddison (SG) Simon Coote (Secretariat) and Paul Mullan (Secretariat),

Apologies: Scott McLarty, Lorne Crerar, Karen Betts, Charlotte Wright, Steve Dunlop, Frank Mitchell, Gerry McCusker, Gary Gillespie and Mary McAllan

Item 1. Introduction from the chair

The Chair introduced the meeting by advising that:

- Apologies have been received from Scott McLarty, Lorne Crerar, Karen Betts, Charlotte Wright, Steve Dunlop, Frank Mitchell, and Gerry McCusker.
- Scott McLarty has been confirmed as Vice Chair of the Board.
- There is work underway aimed at bringing in some new members towards the end of the year and Karen Betts has stepped down from the Board – the Chair has written and thanked her for her work.
- The agencies have just emerged from a process to drive collaboration across their business plans and it is very positive to see the improvement in the alignment, common content, and alignment behind the economic strategy and strategic plan.
- This work has demonstrated further effective collaboration and co-creation already shown in the development of the prepare for Brexit website, trading nation plan and with SDS and SFC alignment of skills.
- The challenge for the Board and agencies going forward is how we look at the whole system to prepare for the economy of the future, and what support is needed for agencies to achieve this. The Board wants to see new models of business support and new funding models included in the work for the spending review proposals.

The Cabinet Secretary then spoke to the Board. Points he raised included:

- In his first year in the post he had concerns about duplication of work by the agencies but has been reassured by the level of cohesion and alignment that has been

demonstrated through work like the prepare for Brexit website. It demonstrates the whole system working for business.

- The single entry point should include the whole public sector offer, it should be comprehensive and tackle the issues raised by business such as skills, people and accreditation.
- It is now more important than ever for the agencies to work together. The enterprise and skills system will need to consider the vulnerability of the economy due to Brexit.
- Skills is the number one issue raised by business – a key goal is to ensure business and industry have what they need.
- It is Ministers aspiration to deliver a more progressive environment in Scotland to work, live and study.
- One key area of interest is seeing companies working with the colleges and Unis to develop things together. These interactions needs to be more widespread and it will be important to see partnerships grow between companies and colleges and unis.

Minute of last meeting

Approved subject to some minor amendments being made.

Item 2. Planning alignment update and process for future alignment

Carroll Buxton presented to the Board on the process of alignment of agency business plans and the process for future alignment. Points raised included:

- Joint working and collaboration has increased significantly over the last year and the Strategic Planning Joint Working Group has been key to this work with the SG sponsorship teams now also part of the group.
- The real challenge is to ensure the collaboration continues and further improves.
- The Strategic Planning Joint Working Group is working over the summer to build a process for planning alignment for the future. For the meeting in September a revised process will be provided to the board.

- **Action 1: Strategic Planning Joint Working Group to develop a process for planning alignment and prepare paper for September Board meeting**

Item 3. Scottish Government update on Spending Review and how the Board can contribute - Cabinet Secretary for Finance Economy and Fair Work Derek Mackay MSP

The Cabinet Secretary updated the board on the key goals of the Scottish Government spending review:

- The Scottish Government spending review is focussed around four key themes:
 - Sustainable and inclusive growth
 - Wellbeing
 - Climate Change
 - Child Poverty
- If policy commitments are undermining potential there is an interest in hearing about that. The Board was encouraged to be radical and look at some big wins with an eye to outcomes, and to ensure that there is evidence to support arguments.

- A compelling narrative around proposals would be welcomed, and they should focus on the Enterprise and Skills system, although proposals on wider aspects would still be considered.

(Cabinet Secretary Derek Mackay MSP departed meeting)

Item 4. Recommendations for the forthcoming Scottish Government Spending Review

The Chair introduced this item:

- The work was an opportunity to show how the system could be changed for the better.
- It would be important to consider how proposals link with policy portfolio commitments e.g. skills work should link with learner journey.
- It was an opportunity for the system to work together better, for example in the international space and in sharing services.
- The Chair highlighted some areas for consideration being:
 - To look at proposals that deliver the key ambitions of the Strategic Plan.
 - To work across the agencies to identify where funding might be allocated differently for greater impact.
 - The work should look for opportunities to secure efficiency gains in order to release resource for the delivery of priorities.
 - It should highlight areas where partners in the wider system may be able to better support our work.

Further discussion on the spending review work included:

- It would be important to offer recommendations about the best way of using resources across the whole system to get the most out of the resource available.
- The Board can help Government by making it easier to remove policy barriers that may be hindering progress.
- Ministers will benefit from seeing a strategic perspective through the proposals. It will also be important that there is a real focus on efficiencies across the system.
- The challenge of ensuring the Board were involved in the development of the proposals over the summer was raised. It was suggested this could happen through correspondence so they can feel directly involved.

South of Scotland Update

Russell Griggs provided a short update on progress towards the development of South of Scotland Enterprise Agency:

- The new agency is to be an exemplar agency with fair work at the centre of how it operates. A new committee covering workers' interests is being convened for the area, who will advise the South of Scotland on worker issues.
- The team have met with over 90 businesses locally and aimed engagement towards SMEs and sole traders.
- The focus on inclusive growth and a more outcome driven approach.

Comments on the discussion:

- Fair work is not properly understood by business and the agencies need to work to make it more accessible. For next meeting the Board is keen to have clearer definition for fair work.

➤ **Action 2: Develop a clearer definition of fair work for businesses**

Item 5. Mission progress and stocktake

Updates from each of the missions were provided in advance to the Board including status, progress and their role going forward:

- Future Skills Needs
 - There is clear momentum among the work with plans and milestones in place.
 - The Future Skills Action Plan is being launched by the Scottish Government and is founded on the missions recommendations.
 - The collaborative culture is developing very positively in this space.
- Business Models and Workplace Innovation
 - The mission is working to deliver with interagency working
 - There is work to develop language and messaging so that employers understand it.
 - The mission is seeking to generate awareness of the work and reposition businesses into an employee leadership role.
 - Discussions have been held with the Analytical Unit regarding possible support, looking to do more around diagnostic work in innovative business models.

Lunch: Break and presentation from Alix Thom, Oil and Gas Skills Manager on skills work in the Oil and Gas industry.

Item 5 (Continued). Mission progress and stocktake

- Exporting
 - The publication of the Trading Nation plan has major significance for this mission.
 - Trading nation is aligned with aims of the strategic plan and addresses the mission's recommendations in the plan.
 - There would be duplication if running the mission and trading nation plan together, so the recommendation is to close down the mission and move towards monitoring the trading nation plan. The Board agreed to this proposal.
- Business Creation and Growth
 - The crossover this mission has with the other missions was highlighted.
 - The shared entry point and ambition campaign are the key areas and are both progressing.
 - The mission is looking at barriers for scaling up businesses such as skills and access to finance, as well as the international angle.

Item 6. Business Support Partnership: Single Entry Point and aligning Business Support

Jane Martin updated the Board on the single online entry point for business support and emphasised that it is only one part of the wider programme of support being developed as part of aligning business support:

- Work is much more than the portal – it is looking to make a whole system change to integrate the work.
- The whole system needs to get behind a shared universal customer engagement service. The target operating model is looking at what is the most effective and efficient model for this service.
- Resourcing is still a concern and for the future further investment will be needed.

Item 7. Analytical Unit update

Stuart King provided a short update on the unit:

- The unit has 6.5 full time staff.
- A phased approach was being used for the innovation activity - the update will be provided on phase one in September.

Discussion about the funding for the unit:

- SG are covering £500,000 staff costs and agencies are to provide £400,000 for the research budget.
- There is a need to establish the ongoing model for funding – the Chair is seeking clarity over funding and the need for the AU to remain independent.

- **Action 3: Update on innovation activity for September Board**
- **Action 4: Clarity over future funding model for the Analytical Unit**

Item 8. Update on Culture and Values Work

Audrey Cumberford updated:

- The work is looking to mainstream collaborative culture across the agencies, in particular working jointly with HR to support this.
- Fair Work was included in letters of guidance and might represent a good hook for supporting culture change and collaborative working. The Board agreed to this proposal.

AOB

- SFC are looking for new Board members - contact Martin Fairbairn with any potential candidates

Meeting closed

List of Actions:

- **Strategic Planning Joint Working Group to work on process for planning alignment and prepare paper for September Board meeting.**
- **A clearer definition of fair work for businesses to be developed.**
- **Update on innovation activity for the September Board.**
- **Clarity to be provided over future funding model for the Analytical Unit.**