

ENTERPRISE & SKILLS STRATEGIC BOARD PAPERS

10th December 2020

SB(10.12.20)1a(ii)

AGENDA ITEM	November 2020 board minutes
LEAD OFFICIAL	Chair
PAPER REFERENCE	SB(10.12.20)1a(ii) – November 2020 board minutes
SUMMARY OF ITEM	Review of actions of last board meeting.
BOARD INPUT	For information only.

Meeting Note - Strategic Board 5 November 2020 – Webex meeting

Attendees:-

Members Nora Senior (Chair), Scott McLarty (Vice Chair), Caroline Barelle, Liz Cameron, Mike Cantlay, Sara Carter, Simon Cotton, Audrey Cumberland, Alistair Dodds, Melinda Matthews-Clarkson, Alison Milne, Frank Mitchell, Gillian Murray, Grahame Smith, Steven Heddle, Keith Winter.

Other Attendees:- Stuart King (AU), Richard Murray (AU/Sec), Julie Wilson (Sec), Damien Yeats (SDS), Lorna Gibbs (SG), David Wilson (SG), Eileen McManus (SG), Susan Moore (SE), Linda Hanna (SE), Karen Watt (SFC), Natalie Stevenson (Sec), Stephen Boyle, Charlotte Wright (HIE).

Apologies:- Russel Griggs (SoSE), Gary Gillespie (SG), Mary McAllan (SG), Kevin Quinlan (SG), Sara Carter, Nick Halfhide (SoSE), Liz Ditchburn (SG), Maggie Wightman (SDS)

Welcome and minutes from the Previous Meeting

The Chair welcomed everyone to the second webex meeting and introduced:

- **Linda Hanna** (interim CEO of SE)
- **Keith Winter** (as a local gov and SOLACE observer to help strengthen the Board's links beyond the E&S agencies into local government).

The Board to agree the previous minutes with a request for any comments to be made via correspondence to the Secretariat PMO mailbox.

There were no conflicts of interest.

Actions – The action points from the previous meeting were discussed & an update on progress is below:

Sep 2020 Actions		
Action	Description	Update
ESSB September 20 (01)	The next Strategic Board meeting to have an item on skills alignment, progress, challenges and funding issues - to be lead jointly by SFC and SDS.	Item on skills alignment today & discussion will continue at Dec 2020 board.
ESSB September 20 (02)	Frank Mitchell to share work done with Oonagh Gill on priorities.	Frank agreed to circulate this work shortly (see today's actions section)
ESSB September 20 (03)	The agencies alongside the AU/secretariat to continue the mission review work. SG to produce a clear strategic narrative along with	Richard will provide an update on this under Item 3.

	key short, medium and longer-term priority areas; indicating lead body and governance structures	
ESSB September 20 (04)	Gavin to set up a discussion between Sandy Begbie and Grahame Smith on consistency between the Young Person’s Guarantee and Fair Work.	This has now been actioned.

Item 1 – Introduction from the Chair

The Chair informed members that she attended the Holyrood Recovery Summit last week which brought together policy makers and business leaders from across Scotland to discuss the strategy for recovery.

The chair then highlighted the immense work that the economic agencies were currently undertaking to support the economic recovery to the Covid pandemic. She stated that this was a challenging, uncertain time, for delivery across the agencies and that clarity from Government on the Ministerial priorities and timescales to deliver was vital. She noted that the agencies faced a number of challenges and she hoped by mapping out Government priorities (also requested by Fiona Hyslop, Cabinet Secretary for Economy, Fair Work and Culture) there would be clarity on the areas that need particular focus and clarity on the lead agency.

The chair informed the board she’ll be shortly undertaking annual appraisals for Board members and that the Secretariat will be in touch to set these up. She welcomed suggestions for potential future Board members, recognising that we are looking to have a diverse board that covers the key areas of the enterprise and skills system. All potential candidates to be sent to the Secretariat.

The Chair outlined the agenda and said that there would be an item covering skills alignment introduced by Scottish Government colleagues and followed by Damien Yeates (SDS) and Karen Watt (SFC). A slide deck was issued to attendee’s to cover this item. This was to be followed by an item delivered by Richard Murray (Secretariat) to update on the review of the missions and the last item was a short overview of the board strategic improvement plan led by Julie Wilson (Secretariat).

Karen Watt (SFC) provided a short update on phase 1 of the SFC review (now a standing item). She thanked the board for their input and support which she said had helped develop some debate on the initial findings. She informed members that the report would support the crisis response to the economic effects caused by Covid and that it highlighted a different approach to the rest of the UK. She said the work was beginning to take shape and that there would be an opportunity for the board to feed into phase 2 & 3 of the report.

Grahame Smith asked about engagement with the workforce and highlighted that fair work is a key principle and needs to be a priority in this work. Mike Cantlay responded that the review focussed on funding resource and the flexibility of funding.

Karen Watt added that Grahame was correct that this was a big issue in terms of managing change and SFC has been and would continue engagement with the unions which are key to institutional change but also other actions e.g. digital revolution and support to staff.

Item 2 – Deep dive on skills alignment
David Wilson/Lorna Gibbs (SG) – Intro
Damien Yeates & Karen Watt – Response

The Chair highlighted that no paper had been received in advance of the meeting and stated that she had received comments from members that it would be difficult to provide valuable feedback without having the opportunity to prepare in advance. The Chair introduced the item with reference to what the ESSB asked this session to cover and highlighted that skills alignment is a programme that has been in place for around 5 years.

David Wilson (Interim Director for Fair Work & Skills) and Lorna Gibb (Interim Director for Advanced Learning And Science) set the scene by summarising the Scottish Government's objectives for the Skills Alignment programme and its expected outcomes. David re-iterated SG support for skills alignment which he said is a crucial part of the economic strategy and runs through the SFC phase one report. He added DFM has set out his commitment to skills alignment, particularly with respect to graduate apprenticeships and encouraging mainstreaming within the higher education offer. Lorna confirmed Minister's full commitment to skills alignment and matching our offer to learner need. She highlighted the need to assign budgets efficiently to address some complex issues around funding and financial sustainability of the sector. Both welcomed the opportunity to work collaboratively with SDS, SFC and industry to take advantage of the opportunities.

The chair then invited the agencies to give their joint presentation.

Damien Yeates (SDS) began and described the progress on Skills Alignment since 2019.

Karen Watt (SFC) followed by highlighting that due to C-19 the agencies have had to make choices on priorities (with DFM). She highlighted that as this is a public health crisis careful considerations had to be given to what guidance to provide on the movement of students. She discussed work that was ongoing with SG analysts on modelling economic impacts and how to redirect funding to align with the current labour market i.e. short courses, upskilling, youth person's guarantee, workforce development fund. She highlighted financial challenges including digital poverty and hardship. She said it was important to have a stock take on competing priorities to ensure the right focus.

Damien closed the presentation highlighting the Skills Alignment programme's response to COVID 19 including an intensification of labour market analysis activities, engagement with Colleges Scotland among others and highlighted

emerging pressures in transition to workplace, apprenticeship pathways, Graduates struggling to find employment and furlough. As well as a difficulty in sourcing provision data and the challenge of making decisions during C-19.

The Chair asked what success looks like. David Wilson responded by reflecting on COVID and highlighted that our ability to adapt the approach to this programme in response to changing circumstances was important in the current context. He further reflected on the need to see more progress, particularly around Graduate and Foundation Apprenticeships - in line with direction from DFM. Frank Mitchell added that this work is already well defined and clear, and that teams have been in place for 18 months which has been vital to support the needs of the economy in the current crisis and particularly in the provision of sectoral labour market information. Frank further stated that he did not believe Skills Alignment needed to be paused or reviewed - instead he wanted to see momentum and focus - SFC and SDS working together to bring back a route map to ESSB on way forward over next 12 months. Mike Cantlay highlighted the context of the SFC review and, given that learner choice drives so much of the system, the need to ensuring learner demand aligns with labour market need and the important role of independent careers advice.

Damien added that we are missing the crystallisation of the insights from the labour market analysis into the change that needs to be made. He stated that Covid had slowed down the work such that this vital test of efficacy that the evidence can impact on delivery has yet to be tested. He added, in response to a question from Alison Milne, that the LMI has been developed in partnership with industry through the Industry Leadership Groups and that the Food & Drink link was very active.

Karen Watt said SFC has realigned and redirected the guidance to colleges around what they will fund as a direct response to COVID 19. For example, working in partnership with colleges to de-prioritise work with primary schools and re-prioritise upskilling and highlighted that these are complex undertakings but they will make differences on the ground. Audrey Cumberford said Karen makes an important point. She added there had been frustrations over the years with emphasis on centralised approach and products, however we are starting to see results where we take a regional approach, factoring in local consideration of the evidence and actions needed.

Simon Cotton added projects are proving the concept but success must be that we have an ongoing mechanism to address these issues at regional and sectoral level. At the heart of the work is aligning agency provision around the needs of the economy. This marks a large strategic change and goes beyond a single programme.

Grahame Smith asked for clarity on what is being asked of ESSB. He added that if we have agreed this programme already are we now being asked to take stock and endorse doing something differently. Grahame did not see a need to review Skills Alignment but that what was needed was a clear plan of action for how we move this

forward. Frank Mitchell responded that he is very keen to get on with this work and develop forward looking plan.

Mike Cantlay reiterated that the further challenge is that neither the Scottish Government nor SFC mandate the provision of courses on offer (with a few exceptions such as medicine). Decisions over the learning provision are handled at a local level with the institutions. SFC completely supports the skills alignment programme but it requires a change on the ground at the local level.

Action ESSB November 20 (02) - SG, SDS & SFC to jointly produce an Implementation Plan for Skills Alignment (Following the meeting the Chair wrote to David, Lorna and the Chairs of SDS and SFC to provide further detail on this action and task them with producing a jointly agreed plan in three weeks' time to be discussed at the next Strategic Board on December 10th.)

Item 3 - Update on strategic approach to recovery and the review of missions Richard Murray (Secretariat)

Richard provided an update on the strategic approach to the recovery within SG. He highlighted that work was underway within the SG to create a dashboard/tracker which will set out progress on the key actions being taken forward to support the recovery. This will be updated by colleagues every 2 months and published every 4 months and will be going to Minister's shortly for approval. The dashboard draws on the detailed implementation plan, developed by the Skills division in the SG, for the recommendations set out in the Board's sub group report on measures to mitigate the labour market impact of COVID-19. . In addition, SG colleagues currently developing a 1-page summary of the priorities to support the economic recovery.

Action ESSB November 20 (03) - Secretariat to share 1 page document collating SG's strategic approach to recovery (.)

Action ESSB November 20 (04) - Secretariat to share SG Skills Dashboard.

Richard gave an update on the missions review which would analyse commitments that have been superseded, halted and any new actions – there are 113 actions in total highlighting a complicated landscape. Some of these actions have been superseded by recent strategies and recommendations with 19 new actions mainly focussed on future skills. He informed members that workshops have been set up for later this month to assess actions, with the secretariat drawing together key findings in a short report to be shared with the Board for its next meeting on 10th December.

Feedback from the Board on the emerging findings will be incorporated into a paper for the Board's strategy day in January and aid the discussion on progress made since the Strategic Plan was published in 2018 and the key future challenges for the enterprise and skills system. A small working group will take forward the outputs from the strategy day and develop an interim refresh of the Strategic Plan setting out

the key areas the enterprise and skills system needs to focus on in the next 2 years. The interim refresh will be published in Spring and finalised following the Scottish Parliamentary elections.

The Chair asked the secretariat to create a structure/framework for the workshops and to be clear on the criteria of assessment i.e. targets, timeline, outputs. As well as to set questions in advance to frame the discussion.

Action ESSB November 20 (05) - Secretariat to clearly outline expected outputs for the mission review workshops and report back at the December Board meeting.

Item 4 - Short update on Board improvements
Julie Wilson (Secretariat)

Julie provided a short update on the board improvement plan. She outlined that the pandemic had changed the focus of the board i.e. frequent meetings, pre meetings with board members, recent actions paper, clear context of what is needed from the agenda. She highlighted that a survey is currently underway for board members to complete – deadline 11th Nov (6 pm).

The Chair asked members about the effectiveness of the Strategic Plan Joint Working Group to communicate actions from the board to the executive level within agencies. Charlotte Wright assured the chair that the group was an effective way to discuss actions stemming from the board. A new process has been put in place where the group meets shortly after the board to ensure all actions are being picked up by the assigned agencies.

The chair thanked members for their input in the board improvement plan thus far. She encouraged members to complete the survey and note the dates for future board meetings. She also welcomed suggestions for future topics.

Actions

Action	Description	Lead(s)	Deadline
ESSB November 20 (01)	Follow up on action from last board (Sep) – Frank Mitchell to share work done with Oonagh Gill on priorities	Frank Mitchell, SDS	ASAP
ESSB November 20 (02)	SG, SDS & SFC to pull together a routemap clearly outlining the next 12 months priorities on skills alignment.	Frank Mitchell (SDS), Damien Yeates (SDS), Mike Cantlay (SFC), Karen Watt (SFC), David Wilson (SG), Lorna Gibb (SG)	Next week
ESSB November 20 (03)	Secretariat to share 1 page document collating SG's strategic approach to recovery (update to be presented to Minister's shortly).	Secretariat	Before next board meeting.
ESSB November 20 (04)	Secretariat to share SG Skills Dashboard.	Secretariat	ASAP
ESSB November 20 (05)	Secretariat to clearly outline expected outputs for mission review workshops. This should include targets, timeline and outputs – as well as set questions to frame discussions. Feed information back to the board.	Secretariat	Before w/c of 16 th when workshops take place.
ESSB November 20 (06)	Board members wishing to volunteer for the board improvement plan to get in touch with secretariat PMO mailbox.	Board members	Ongoing