

Changing Scotland: Growing Scotland's Economy

Discussion Paper – Enterprise And Skills Review: A Strategic Plan To Deliver Inclusive Growth And Greater Productivity

Enterprise and Skills Review Focus

1. We commit to the creation of a Strategic Board that will deliver greater collaboration, innovation and common purpose across the enterprise and skills system. The Strategic Board will develop a Strategic Plan underpinned by common, evidenced performance measures. This will provide Agencies with a shared delivery platform, promoting creativity, collaboration and innovation when considering how to best achieve the desired results.
2. The objective of the session is to canvas views as to the priorities that should be considered by the Board when developing the Strategic Plan.

Background

1. In May 2016, the first Minister announced an end-to-end review to ensure that all of our public agencies are delivering the joined-up support that our young people, universities, colleges, training providers, businesses and the workforce need.
2. The Review has been led by the Cabinet Secretary for Economy, Jobs and Fair Work, and was supported by a Ministerial Review Group, including members of the Council of Economic Advisers. The Review's aims are:
 - a. building on the evidence of 'what works' and national and international benchmarking to achieve the step-change needed in Scotland's economic performance;
 - b. capturing the user journey and experience to understand what might be simplified and improved; and
 - c. shaping which services should be prioritised and how they should best be organised and delivered.
3. The report on Phase 1ⁱ of the Enterprise and Skills Review was published on 25 October 2016. The Phase 1 decisions focused on ensuring coherence and a simpler, more flexible and cost-effective system of national and local support.
4. Our central economic ambition is for Scotland to rank in the first quartile of OECD countries for productivity, equality and wellbeing, and sustainability.
5. The enterprise and skills support system is central to this, with the respective agencies key to creating the conditions for businesses to increase productivity and growth, whilst helping to deliver the skills that Scotland's people and economy need.

6. To achieve this we have a vision of a system that delivers flexible regional support aligned to stronger governance across a coherent enterprise and skills landscape.
7. The benefits we envisage from the Enterprise and Skills Review are:
 - a. simplification of the enterprise and skills landscape;
 - b. improved outcomes through greater collaboration and co-ordination; and
 - c. improvement in the delivery of enterprise and skills support.
 - d. Underpinning all of this we see a benefit of having improved analytical resources so that the enterprise and skills agencies have the right information at the right time to enable them to make the right strategic decisions.

Taking forward Phase 1 Recommendations

8. A number of projects have been taken forward as a result of the recommendations featured in the Phase 1 report, these projects are:

Governance

9. On 30 March 2017, Keith Brown, Cabinet Secretary for Economy, Jobs and Fair Work confirmed the details of a new Strategic Board that will reset the relationship enterprise and skills agencies have with businesses. This Board will encourage greater collaboration and innovation between agencies, helping strengthen the support they give to people, businesses, training providers, universities and colleges.
10. The names, functions and structures of the four agency boards will remain unchanged. The new Strategic Board will:
 - a. exist in addition to agency boards;
 - b. be led by an independent chair;
 - c. include chairs from agencies and non-executive members from businesses, local government, skills and research and trade unions;
 - d. create a strategic plan to identify priorities and measure performance; and
 - e. work collaboratively with partners to shape the new landscape.

Data, Performance and Evaluation

11. This project will produce a delivery plan for an improved analytical function which will support the overarching board and others to make effective decisions on how to improve system outcomes. This benefits productivity through:
 - a. better collaboration across agencies to identify effective interventions;
 - b. developing an effective set of performance measures and shared outcomes; and
 - c. providing evidence beyond the agencies to focus the actions of stakeholders.

Regional Partnerships

12. Through development of regional partnerships we will more effectively stimulate local economies and build inclusive growth while fostering improved innovation, internationalisation and investment. This benefits productivity through:
 - a. a greater understanding of regional strengths and opportunities;
 - b. a holistic view of growth, inclusion and sustainability drivers; and
 - c. co-ordination of activity supporting inclusive growth at regional level.

South of Scotland Enterprise and Skills Vehicle

13. This project will set out options for the establishment of a new vehicle to meet the enterprise and skills needs of the South of Scotland, responding to the unique challenges of the area. This benefits productivity through:
- a. a clear vision for the region with tailored interventions across the relevant local authorities;
 - b. a clear focus on strengthening communities will help regenerate fragile towns; and
 - c. an opportunity to engage private sector in delivering growth across the area.

Enterprise and Business Support

14. This project aims to provide a system of support that is designed around, and can adapt to the needs of businesses so that they can improve products, services and processes, expand markets and attract investment. This benefits productivity as:
- a. better customer data and analytics across partners will improve interventions.
 - b. unrealised economic potential of our business base can be unleashed;
 - c. growth would be boosted if women started businesses at the same rate as men.

Innovation Support

15. Scotland has risen to the first quartile for business innovation in the EU. By reviewing, streamlining and simplifying the innovation support ecosystem, connecting programmes, funding and delivery mechanisms, we will help yet more businesses increase innovation. This benefits productivity as:
- a. innovation active businesses are more likely to grow turnover;
 - b. it will improve the impact of R&D in business and academia;

International

16. Through improving co-ordination of international economic activity, this project will aid productivity through:
- a. supporting delivery of the actions set out in the Trade & Investment Strategy;
 - b. co-ordinating international assets to promote a One Scotland approach; and
 - c. enabling better support for Scottish businesses to internationalise.

Skills Alignment

17. Aligning the functions of our learning and skills agencies will better join up how learning and skills are planned and provided to learners and employers. This benefits productivity as:
- a. it will tackle the significant under-employment problem;
 - b. it will help match the skills support system with the needs of the economy; and
 - c. it will enhance the contribution of colleges, universities and training providers.

Learner Journey

18. This project features a comprehensive review focused on sustained employment with significantly enhanced use of labour market information in skills planning at its heart. This benefits productivity as:
- a. Skills and education are critical to productivity and inclusion;
 - b. Learners acquire the skills to participate in high value employment quicker; and

- c. It will create a better balance and connectivity of courses and qualifications.

Possible Discussion Questions

- 1. The Strategic Board will act as an enabler to continuous improvement across Scotland's enterprise and skills landscape – How can we maximise the input to this from business and industry?**
- 2. What are the priorities that you would expect to see included in the first Strategic Plan?**
- 3. What challenges and risks remain to the successful delivery of the Strategic Plan? What can we do to anticipate and mitigate these?**
- 4. How should the Strategic Board work with other parts of the public sector – including but not limited to Transport Scotland, schools, VisitScotland, SEPA and Scottish Water – in pursuit of the economic ambition?**

ⁱ [Enterprise and Skills Review – Report on Phase 1](#)