

Paper SB (27.06.19) (01)

Note of Strategic Board 21 March 2019 – Enterprise and Skills Strategic Board

Construction Scotland Innovation Centre, Unit 3B, 3 Watt Place, Hamilton International Technology Park G72 0AG.

Attendees:

Members: Nora Senior (Chair), Liz Cameron, Steven Heddle, Gerry McCusker, Grahame Smith, Willie Mackie, Frank Mitchell, Mike Cantlay, Wendy Alexander, Russel Griggs, Poonam Gupta, Scott McLarty, Audrey Cumberland

Other attendees: Charlie Smith (SE), Caroll Buxton (HIE), Karen Watt (SFC) Dominic Munro (SG), Liz Ditchburn (SG), Stephen Boyle (SG), Stuart King (SG), Mary McAllan (SG), Gary Gillespie (SG), Damien Yeates (SDS), Simon Coote (Secretariat), Paul Mullan (Secretariat), Karen McAvenue (SG), Helen MacGregor (SG)

Apologies: Lorne Crerar, Karen Betts, Charlotte Wright and Steve Dunlop

Item 1. Introduction from the chair

The Chair introduced the meeting by advising that:

- Apologies have been received from Lorne Crerar, Karen Betts, Charlotte Wright and Steve Dunlop.
- The draft performance framework would be an important item at the meeting.
- The Board would hear from SDS and SFC on the development of a joint vision for future skills.
- The Board would also hear a long overdue update from Russell Griggs on the South of Scotland Economic Partnership and plans for the new agency.

Minute of last meeting

- A couple of omissions to be corrected.
- Also can the minute note if Board members had to leave early.

Item 2. Performance framework, Stephen Boyle and Stuart King

The Analytical Unit presented a draft of the performance framework (PF) to the Board for discussion, and thanked colleagues from the agencies for their support over the last few months.

Discussion followed, including on the following points:

- What the board will do with the data and insights is key, as this is about trying to influence productivity, wellbeing, equality and sustainability outcomes.

- The PF will help drive top quartile performance and provide opportunities for alignment.
 - It is aligned with the National Performance Framework, and is linked with Inclusive Growth which is covered within the Productivity, wellbeing, equality and sustainability criteria.
 - A demonstration of what is going to be available to the board will be shown in a dashboard which offers a full suite of information.
 - Consideration should be given to compatibility with the software Agencies' use like PowerBI.
 - Annual analysis of the PF can inform a January strategy day and the agenda for the Board for the year ahead.
 - Quarterly updates and impact evaluations to the Board will be provided.
 - What will be the starting point to measure impact against? There are some evaluation data that exist but a collective set of data for impact for most current activity is still needed starting with a mostly blank sheet.
 - The PF allows agencies and the Board to use a common language to be able to articulate what the board is doing and legitimise cross sectoral discussion.
 - AU funding needs to be put on a more sustainable footing.
- **Action 1: SG to ensure that AU funding is put onto a more formal sustainable footing.**

Item 3. Alignment of agency business plans

The Chair felt that the meeting on the 28th of February had seen good progress on soft alignment but was disappointed that levels of alignment in some expected areas was not evident. There was a need to see the agencies visions linked to the Scottish Government vision. The letter from Ministers reinforces the need for more obvious embedding of a common strategic vision into agency plans.

Discussion focussed on the following areas:

- A shared vision of what success would look like and a single agreed statement would be helpful across all the agencies.
 - There was a need to focus on what significant changes are being made that are having an impact from a customer perspective.
 - A common narrative as well as an individual narrative, and a common look and feel across the plans would be helpful.
 - Plans should have an eye on the Board's priorities and should promote the message internally and externally about the Board are trying to do.
 - There was a request that the SG sponsor teams provide a common planning process and timeline for the future.
- **Action 2: SG sponsor teams and Secretariat, working with the agencies, develop a revised planning process and timeline.**

Item 4. Developing a Vision for Future Skills

Damien Yeates and Karen Betts from Skills Development Scotland and Scottish Funding Council presented on developing a Vision for Future Skills for Scotland 2035.

The presentation highlighted the following points:

- The question over whether level of qualification was always the appropriate measure of skills.
- The work to date had brought agencies together, instigating inter-agency teams, a shared vision and shared services and increasing joint working.
- There is a need to fill in the skills gap. Communication with our customer base could help achieve this.
- There was a need to recognise the budget challenges ahead for the sector and accept that there will be tensions ahead.
- There was a challenge to the Scottish Government to ensure guidance from them is aligned.

Lunch and Tour

Presentation from Steven Good Construction Scotland Innovation Centre:

- There is 245,000 people in the construction sector in Scotland, and the centre is trying to create a more innovative culture by supporting collaboration on projects, working with public sector and academia.
- The centre is working with UK Industrial Strategy Challenge Fund and also the SG Building Scotland Fund.
- It is part of the future workforce programme with colleges. College talent is the lifeblood of the industry and they want to work with colleges to create innovation. They also work with CITB on developing skills more generally.
- £7.5 million of public investment can deliver £700 million plus of added value in the sector.

Item 5. Scoping an Innovation mission

Karen Watt updated the Board on SFC's work on Innovation:

- Innovation Centres are no longer owned by SFC, they are joint funded by all the agencies.
- Colleges play a key role in the innovation landscape.
- Leveraging the UK Industrial Strategy (UKIS) funding is crucial.

Presentation from Stephen Boyle on potential Innovation Mission:

- Anton Muscatelli is currently doing a related piece of work on innovation so this project needs to be mindful of this.
- It was proposed that the work would take 12 months and that it should be carried out differently from the previous missions. People in the AU team will lead on this work day-to-day and will seek input from agencies.
- The AU will also seek board engagement on this going forward.

- The AU will recast the scope of the mission and aim to have stage 1 ready by the June board meeting.

Feedback on the presentation:

- It is important that the project includes the innovation centres and that the most is made of funding from UKIS.
 - It would be good to map who is doing what across the country in innovation and get a sense of what is working and what isn't.
 - There is a need to remind businesses and supply chain of the funding that is available in innovation and other areas such as Brexit.
 - Businesses looking to innovate don't go generally to an innovation centre to innovate.
 - The project is trying to look at the subject differently from other missions and the Board can stop the work at any stage if it is not deemed necessary.
- **Action 3: AU will recast the scope of the mission and aim to have it ready for stage 1 by the June Board meeting. [NB this will now be the September meeting].**

Item 6. Short discussion on User Journey Project

- An online demo of the single portal will be provided at the next board meeting
- The Alpha version of the portal will go live at the end of April.
- The project is attempting to Rationalise 400 offerings of products, and SE carried out an aggressive cull as part of this.

Item 7 Progress update on missions' implementation

1. Update on exporting:

- The Board lead, Liz Cameron is working with the working group chair to ensure the mission is on the right track.
- There is engagement with the agencies and SG to ensure the work is aligned.
- There is a need to hold off on stakeholder mapping currently until there has been further development.

2. Update on Business Creation and Growth

- The Board lead, Gerry McCusker is reassured by the work of the online portal
- The work is ambitious and more emphasis is needed around Scotlandisnow.
- The mission needs to engage more with Business Gateway as well as the Enterprise agencies.
- They are looking to understand how the work feeds into the overall work of the agencies.

3. Update on Future Skills Needs

- There is a strong direction of travel in this area and a lot of shared working currently taking place.
- There are tangible examples of where the customers are currently seeing a different offer.
- There is a workshop and mapping exercise for stakeholders being undertaken.

4. Business Models and Workplace Innovation

- SDS and SE have identified a multi-functional team.

- They are working to declutter the landscape and looking to see what the industry wants, and looking to test the work with industry.
- Next step will be to wrap into a single offering and package to test with industry.
- They will continue to engage with some of the Board so they understand the ambition.

➤ **Action 4: Missions to provide further update at next meeting in June.**

Item 8 South of Scotland Update

Presentation from Russell Greggs on the South of Scotland Economic Partnership:

- The South of Scotland Economic Partnership is a start up and allows for thinking about what an enterprise agency should do and who it is for.
- The partnership and SG are collaborating well.
- The agency will be operational from 1 April 2020 and will phase in and staff up from there.
- Data for the regions of the South of Scotland is poor and needs to be improved.
- Key to everything is sustainable communities and a relentless focus on place.
- Economies in the South of Scotland are different, and should not be seen as weaker.
- The dependency ratio is already 69% and rising, and working population is falling whereas for Scotland it is rising.
- To stand still 800 people more need to move to South of Scotland each year. This has implications for the construction development needed in the area.
- There is a need to give support to everyone who wanted to grow the economy, including social enterprises.
- Provision of training is important and there is an aspiration to have local jobs. The idea of taking the college to people by doing it digitally where possible is important.
- Inclusive growth and fair work should be at the heart of what South of Scotland agency should do. There is an aspiration to have an inclusive growth map of Scotland by Local Authority area and talk to businesses about how businesses can put inclusive growth into practice.
- There is a desire for a holistic skills and talent strategy aimed at young people and their families in the South of Scotland.
- There are hundred of job vacancies in Social Care in the South of Scotland, so a need to have career development to show young people that social care can be a career.

Item 9 Culture, Values and Collaboration

Update on work on culture, values and collaboration:

- Dynamic teams are working to drive a more collaborative culture.
- To be effective change has to be driven from the top.

Item 10 Board Membership and Skills

Discussion on board membership going forward:

- Board membership may increase in size temporary to allow for a seamless transition.

- The Board should consider Business Gateway or Local Authority joining the board. Discussion suggested possibly in an advisory capacity like agency CEOs. There was a concern that additional public sector representation diluted the business-led focus of the Board, versus a recognition that Business Gateway and local government have a crucial role in the system.
- The Chair would come back to the Board on Vice Chair issue.

➤ **Action 5: Chair to come back to the Board on Vice Chair position.**

Item 10 Board Communication

Update provided via the paper. The AU paper should be used as a guide around comms.

AOB

SE work on Brexit to be shared with the board. The Chair welcomed the progress that has taken place.

Meeting closed

List of Actions:

1. **SG to ensure that AU funding is put onto a more formal sustainable footing.**
2. **SG sponsor teams and Secretariat, working with the agencies, develop a revised planning process and timeline.**
3. **AU will recast the scope of the mission and aim to have it ready for stage 1 by the June Board meeting. [NB this will now be the September meeting].**
4. **Missions to provide further update at next meeting in June.**
5. **Chair to come back to the Board on Vice Chair position.**