

**Cab Sec for Economy Fair Work & Culture
1:1 meetings with Scottish Enterprise Board Members**

Meeting with Carmel Teusner

22 February 2021

Attendees:

Fiona Hyslop MSP , Cabinet Secretary for Economic Fair Work & Culture
Carmel Teusner, Scottish Enterprise Board

Jon Pickstone, Deputy Director, Economic Development
[REDACTED] SE Sponsorship Team

Purpose

Part of a series of informal 1:1 meetings between the Cabinet Secretary and SE Board members to discuss their views on economy, experiences on the SE Board and future direction of the agency.

During the discussion it was noted:

1. Ms Teusner noted that SE did a lot of good works, and its strength in was the range and variety of its offers, which included not just financial support but advice and training. The agency is sometimes stretched given the widespread pressures it sought to address.

2. She noted that the agency had reacted well to Covid and was now picking up many of the projects it had put on hold and minimising the impacts caused by delays. A major feature of moving forward would be the requirement for SE to consider the new landscape of the post-Covid Scotland eg the launch of SOSE and SNIB. SE would need to look from its workforce to its Board to ensure the right people, with the right skills, were around the table.

3. Entrepreneurialism in particular Ms Teusner felt was a “confused space” in Scotland. Entrepreneurship in businesses was about encouraging ambition, which was a cultural mind-set that needed to start at school age and there was only so much enterprise agencies could do to promote it in adults. She however noted that she was encouraged by the generation currently in or just leaving school. This was the generation that had given rise to Greta Thunberg, and was more socially and politically aware than previous generations; concerned about issues such as climate change. This generation “wanted to change the world” and Scotland needed a mechanism to help channel that generation and their energy into enterprise and entrepreneurship.

4. Ms Teusner felt this was a role that could be filled by the Strategic Board, expanding the conversation of cultural change beyond enterprise and skills agencies to include education and other relevant sectors. However, there were other avenues that needed to be explored, e.g. the Covid lockdown had seen a rise in social enterprises. Consideration needed to be given on how to encourage these to remain and expand post-lockdown. Also, while Scotland had many world-class universities, it did not have any truly globally leading business schools, meaning that potential entrepreneurs either had

to go abroad to study or choose another life path. As such Scotland needed to take steps to develop a truly world-class business school.

5. The Cabinet Secretary agreed Scotland was perhaps too good at trying to address specific issues by segmenting them in hopes of tackling each head on, but at the loss of the joined up approach. From her previous External Affairs remit, she agreed that Scandinavia was certainly ahead in handling the overlap between areas such as enterprise and education, and this was something Scotland could learn from.

Scottish Enterprise Sponsorship Team
23 February 2021

Fiona Hyslop
Cabinet Secretary for Economy, Fair Work and Culture
Via e-mail: CabSecEFWC@gov.scot

18 December 2020

Dear Fiona

SCOTTISH ENTERPRISE – GUIDANCE 2020-21

Thank you for your letter of 15 December 2020 providing further guidance to Scottish Enterprise (SE), for the remainder of 2020-21.

It helpfully sets out your expectations and priorities for SE, within the context of ongoing uncertainty around Covid-19 and Brexit, recognising how these impact on SE's own activity and the advice and support we provide to businesses.

As you acknowledge in your letter, SE has played a significant role in delivering the bespoke funds created in response to the pandemic and I am very proud of the way in which our staff responded quickly to deliver much-needed funding into the hands of businesses - not only protecting jobs now, but also supporting those pursuing opportunities for our future economy. We will, of course, continue to flex and respond to emerging needs as the impacts of the pandemic endure. Equally, on the ongoing uncertainty around a post-Brexit landscape, we will continue to engage with your officials and our Enterprise & Skills partner agencies through the Building Resilience Steering Group, working together to identify where we can best support businesses to help them continue to be successful for Scotland.

SE is committed to delivering a recovery that is led by green growth and that promotes fairness and wellbeing and we will continue to work alongside Scottish Government and the Enterprise & Skills Agencies to support the priorities set out in the Programme for Government, the Economic Recovery Implementation Plan and the wider economic strategy, as outlined in your letter. As a member of the Strategic Board, I recognise the importance of actively collaborating with our partner agencies in delivering against the Scottish Government's priorities and indeed the missions and actions set out in the Strategic Board's Strategic Plan.

I note, in your letter that Guidance for 2020/21 will be issued in April 2021, and I have asked my colleagues to meet with your officials early in the new year, to share progress on SE's recent work, including our work on Future Economic Strategic Opportunities, which you have previously recognised. I trust this will help develop, through the Guidance, a more medium to long term outlook on SE's role, as we focus on the national mission to create new jobs, good jobs and green jobs, and the needs of Scotland's economy.

SE is fully committed to driving progress across the areas set out in your letter, and I will continue to ensure SE meets the delivery and reporting requirements in the annex on Specific Requests of Public Bodies.

Please let me know if you would like to discuss this further and I look forward to our continued positive strategic dialogue with yourself, Scottish Government and the Strategic Board.

Kind regards,



Robert

Lord Smith of Kelvin, KT CH
Chair, Scottish Enterprise

**Cab Sec for Economy Fair Work & Culture
1:1 meetings with Scottish Enterprise Board Members**

Meeting with Willie Mackie

12 January 2021

Attendees:

Fiona Hyslop MSP , Cabinet Secretary for Economic Fair Work & Culture
Willie Mackie, Scottish Enterprise Board

Mary McAllan, Director, Economic Development
[REDACTED], SE Sponsorship Team
[REDACTED], Private Office

Purpose

Part of a series of informal 1:1 meetings between the Cabinet Secretary and SE Board members to discuss their views on economy, experiences on the SE Board and future direction of the agency.

During the discussion it was noted:

1. [REDACTED]
[REDACTED] He felt one benefit of the Covid-19 crisis in this regard had been the required need for SE to prioritise; to deliver directed funding streams where needed and within a short time scale. He was very pleased with how colleagues in SE and SG had worked to get the various funding schemes out, and noted that the magnitude of the work undertaken was an accomplishment in good and rigorous governance.
2. Having a background in business banking, Mr Mackie felt SNIB was hugely positive, and its next steps should be to develop its narrative to businesses, detailing what its support offer was.
3. Mr Mackie noted his passion for regional partnership working, and his current work on a College Chairs Group (Scotland)'s Economic Recovery Group investigating the benefits of regional partnership working across Scotland. The group's recommendations are due February 2021. Richard Lochhead MSP, Minister for Further Education, Higher Education and Science, was sighted on the project, however Mr Mackie felt the recommendations had wider impact than just education, and it may prove helpful to the Regional Economic Partnerships being formed on the back of the City and Regional Growth Deals.

Action Point: Mr Mackie confirmed he would share a copy of recommendations, with the Cabinet Secretary and SG Economic Development colleagues.

**Scottish Enterprise Sponsorship Team
13 January 2021**

**Cab Sec for Economy Fair Work & Culture
1:1 meetings with Scottish Enterprise Board Members**

Meeting with Melfort Campbell

10 December 2020

Attendees:

Fiona Hyslop MSP , Cabinet Secretary for Economic Fair Work & Culture
Melfort Campbell, Scottish Enterprise Board

Richard Rollison, Deputy Director, Clyde Mission
[REDACTED], SE Sponsorship Team
[REDACTED], Private Office

Purpose

Part of a series of informal 1:1 meetings between the Cabinet Secretary and SE Board members to discuss their views on economy, experiences on the SE Board and future direction of the agency. This meeting was scheduled ahead of the end of Mr Campbell's appointment on 31 December 2020.

During the discussion it was noted:

Experience and Board Membership

1. The Cabinet Secretary thanked Mr Campbell for his years of service on the SE Board, and noted that he took with him a wealth of experience that SE would be hard pressed to replace.

2. Mr Campbell discussed that 'enterprise' was an overlooked sector; that knowledge wealth was continually lost as successful entrepreneurs sold their companies and retired earlier each generation. In his view not enough was being done to hold on to them and their experience, for example, on membership of agency boards or wider advice to SG.

3. [REDACTED]

4. [REDACTED]

5. [REDACTED] Mr Campbell felt that SE's greatest strength in the early days were the Account Managers, who visited businesses and gained direct ground level knowledge and provided advice based on their own expertise. [REDACTED]

Action Point: Richard Rollison would engage with SE to confirm the current situation of the Account Management programme.

Weakening of the Enterprise Economy

6. Mr Campbell noted overall he admired what the SG had achieved in last decade, and there was nothing fundamentally wrong with public sector activities.

7. He noted the three core groups of businesses – the locally traded economy which in his view should be supported mainly by local government; the corporate economy of large companies and inward investors that SE supported well; and, in the middle, the ‘enterprise’ economy of innovative, growing SMEs which, in his view, were not adequately supported or engaged with and, in some cases, were hindered by Government policy.

8. By way of example, Mr Campbell noted that in the late 1970s he was a crane operator offshore for Shell, when the Government at the time introduced the requirement to low test cranes offshore. In 1980, Shell experienced an onsite accident (a rope break) during one such test that cost millions in damage. Mr Campbell saw an opportunity; that if cranes were going to be tested offshore, it was best to use lighter water tanks rather than standard heavy tanks. However, while the materials were available, the technology to design these did not exist. He established a company – Waterweights – to produce the tanks, and with a £15,000 R&D support grant approached Welsh and German universities on the required designs. Waterweights is still operational today, and has on average saved the offshore industry £250m a year since 1980.

9. Mr Campbell noted that this example of a spark of inspiration in the enterprise economy drawing on knowledge from the academic sector. [REDACTED]

10. There had been a shift, and Mr Campbell felt the country was suffering over successful university sector, one that was now leading rather than supporting the needs of the enterprise sector. [REDACTED]

11. Cabinet Secretary noted there had been a change recently as a result of Covid; with the PPE needs driving supply chain generation and lessening the over reliance in inward investment to deliver local needs.

Scottish Enterprise Sponsorship Team
11 December 2020

**Cab Sec for Economy Fair Work & Culture
1:1 meetings with Scottish Enterprise Board Members**

Meeting with Karthik Subramanya

8 February 2021

Attendees:

Fiona Hyslop MSP , Cabinet Secretary for Economic Fair Work & Culture
Karthik Subramanya, Scottish Enterprise Board

Richard Rollison, Deputy Director, Clyde Mission
[REDACTED], SE Sponsorship Team

Purpose

Part of a series of informal 1:1 meetings between the Cabinet Secretary and SE Board members to discuss their views on economy, experiences on the SE Board and future direction of the agency.

During the discussion it was noted:

1. Karthik Subramanya noted that SE strategy was very much in lockstep with SG, so there were no hiccups from conflicts between SE and Ministerial aspirations. [REDACTED]

[REDACTED]

2. [REDACTED]

3. [REDACTED]

4. [REDACTED]

5. On inward investment and internationalisation, [REDACTED]

[REDACTED] Comparing Scotland to Japan and South Korea, he noted they invested much more in supporting local businesses grow their home market and then expand abroad than they did in attracting overseas companies to set up. Cab Sec noted with regard to this, one lesson learned from Covid was the expansion of local supply chains, for example with PPE.

Scottish Enterprise Sponsorship Team
8 February 2021

**Cab Sec for Economy Fair Work & Culture
1:1 meetings with Scottish Enterprise Board Members**

Meeting with Gavin Nicol

22 March 2021

Attendees:

Fiona Hyslop MSP, Cabinet Secretary for Economic Fair Work & Culture

Gavin Nicol, Scottish Enterprise Board

██████████, SE Sponsorship Team, Scottish Government

Purpose

The final meeting in a series of informal 1:1 meetings between the Cabinet Secretary and SE Board members to discuss their views on economy, experiences on the SE Board and future direction of the agency.

During the discussion it was noted:

1. ██████████
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██████████ He believed SE needed focus on new promising sectors such as artificial intelligence and cybernetics, which would be increasingly important in the next century but needed public support at this time while they were in their embryonic stages.

2. ██████████ ██████████
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3. ██████████
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██████████ In other countries he noted, universities would work with indigenous industry on how to make product on the back of research. This would support local companies grow and support the local economy. In Scotland, an R&D world leader, universities made their research freely available on the open market once completed, as funding was easily come by and there was no incentive to monetise it. Mr Nicol noted recent advances in wind-turbine technology from Strathclyde University that had been freely released the to the market and was now being made into product by foreign companies, missing the opportunity to help Scottish companies get a step ahead of competition and become green energy sector leaders.

4. ██████████
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██████████

Ministerial leadership was essential to step in a direct the Strategic Board, academia and industry partners to collaborate, think ahead and move towards the required change.

Scottish Enterprise Sponsorship Team
23 March 2021

NOTE OF MEETING BETWEEN CABINET SECRETARY EFWC AND POONAM MALIK - 22 OCTOBER 2020

Present

Fiona Hyslop MSP, Cabinet Secretary EFWC

Poonam Malik, SE Board

Richard Rollison, SG

██████████, SG

PM outlined her knowledge, expertise and interest in areas such as life sciences, medtech and digital and in particular around start-ups and commercialisation. She emphasised that these sectors required a long term approach (up to 20 years) with significant patient capital. She highlighted Scotland's strong track record on relevant academic research but indicated that this did not sufficiently translate through to commercialisation, partly because academics were not incentivised to innovate or establish start-ups etc. PM also highlighted that in her view the approach of universities,

especially the older ones, to Intellectual Property was limiting innovation and commercialisation. For example, each university has a very different approach and entrepreneurs need to understand and wade through each university's policy. She suggested that a common IP Framework across universities; an open innovation register; consideration of universities approach to stakes in IP/spinouts; and co-location

of start-ups on campus would help address this. PM also suggested that more emphasis needed to be put on entrepreneurial education across universities, including in Business Schools, and on rewarding academics to work on real societal challenges. .

FH noted that there was a place for blue sky/pure research but agreed that there needed to be greater emphasis on commercialisation and rewards/incentives for academics in this respect.

FH agreed to raise the above issues with the Deputy First Minister.

There was a discussion about the role of the NHS in stimulating and supporting businesses. PM noted that Scottish businesses often found it difficult to gain access to

NHS Scotland and needed to go elsewhere to find users and customers for their products and services. FH highlighted the progress that had been made on NHS supply

chains to respond to Covid and that Scottish Government was keen to build on this.

PM spoke about the critical role of Scottish Enterprise in generating a pipeline of investment opportunities which SE could support in early stages with SNIB stepping in

later to support growth. FH agreed with this approach.

PM thanked FH for her time and indicated she was happy to catch up at any point if it

would be helpful.

**Cab Sec for Economy Fair Work & Culture
1:1 meetings with Scottish Enterprise Board**

Meeting with Dame Anne Glover

11 November 2020

Attendees:

Fiona Hyslop, Cabinet Secretary for Economic Fair Work & Culture
Professor Dame Anne Glover, Scottish Enterprise

Richard Rollison, Deputy Director, Clyde Mission
[REDACTED], SE Sponsorship Team

Purpose

Part of a series of informal 1:1 meetings between the Cabinet Secretary and SE Board members to discuss their experiences on the SE Board and future direction of the agency.

During the discussion it was noted:

Knowledge Transfer and cohesion

1. Dame Glover noted that, in her five year experience on the SE Board, the landscape of innovation and local economic development had seen a great deal of movement. Specifically there had been an increase in players in the sector. This provided additional building blocks in developing the country's innovation sector, however at the cost of increased fragmentation.
2. There was a lot of potential for knowledge generation in Scotland, both in Higher Education and business R&D, however Scotland was not as good at knowledge transfer; passing this information to where it best served the wider economy. There were a variety of reasons for this, and Dame Glover felt it was not clear who was responsible for overseeing cohesion, but that Scottish Enterprise certainly should have a leading role in the transfer of knowledge.

3. [REDACTED]

4. [REDACTED]

[REDACTED] Between Covid and Brexit this would become more prevalent and tough choices would eventually need to be made.

5.

[REDACTED]
[REDACTED]
[REDACTED] There was precedent for a more flexible approach, as the quick delivery of the Covid support funds was only feasible due to such relaxation. While oversight of public funds was important, there were other projects underway at SE that could benefit from similar relaxations due their economic importance.

International Partnerships and models

6. Dame Glover noted her experience of Foundation schemes in Scandinavia, specifically Denmark. Under the schemes, local companies e.g. Lego, receive benefits such as government tax breaks, so long as they do not remove their Headquarters from the country. Learning from such schemes could be useful if Scotland is to develop and retain home grown businesses.

7. Additionally, while Foundation companies were locked into their home countries, they were open to international partnerships. [REDACTED]

[REDACTED] For example, many Foundation companies in Denmark are heavily involved in the insulin health sector, seeking a cure for diabetes. While Scotland could not poach these companies, we have a developed life sciences sector which could provide a powerful partnership offer. Such partnerships would also aid Scotland in retaining ties with the EU.

SE Sponsorship Team, 19 November 2020

From: McCormack M (Marion) <Marion.McCormack@gov.scot>
Sent: 09 January 2020 17:32
To: Minister for Business, Fair Work and Skills <MinisterBFWs@gov.scot>
Cc: McAllan M (Mary) <Mary.McAllan@gov.scot>; Rollison R (Richard) <Richard.Rollison@gov.scot>;
Pickstone J (Jonathan) <Jon.Pickstone@gov.scot>; [REDACTED]

[REDACTED]
Cabinet Secretary for
Finance, Economy and Fair Work <CabSecFEFW@gov.scot>; Gil O (Oonagh) <Oonagh.Gil@gov.scot>;
Minister for Trade, Investment and Innovation <MinisterTI@gov.scot>; Quinlan K (Kevin) <Kevin.Quinlan@gov.scot>; Pathirana S (Stephen) (Dr) <Stephen.Pathirana@gov.scot>; Gil O (Oonagh) <Oonagh.Gil@gov.scot>; Brown J (Joe) <Joe.Brown@gov.scot>; [REDACTED]

[REDACTED]
Subject: RE: Briefing - 7 January 2019 - Mr Hepburn introductory meeting with Lord Smith of Kelvin

PS/Minister for Business, Fair Work and Skills

Please find below note of the introductory meeting with Lord Smith that was held on 7 January 2019. I have copied ITI colleagues given the references to exporting and GlobalScots.

Minister for Business, Fair Work and Skills; Lord Smith of Kelvin, Chair of Scottish Enterprise; [REDACTED] and Marion McCormack SG:

* General discussion on Ministerial priorities for SE in relation to Business, Fair Work and Skills took place.

* It was noted that overall SE engagement with Mr Hepburn has been positive with examples such as the Arjowiggins Stoneywood Papermill Plant at Aberdeen and Greenock Diodes Plant used as example of where collaborative working was good and in particular a recognition of the difference individuals within SE who bring a wealth of experience can make to the discussions to bring about a successful outcome.

* Lord Smith outlined that as part of his induction into the Chair role he has been engaging across a wide range of SE areas of operation and he recognises that although Fair Work priorities are well understood he has recognised that more could be done to further embed Fair Work First. He highlighted that the CEO is also keen to harness the opportunities that this may unlock.

* Lord Smith also engages with a wide range of networks and stakeholders including other entrepreneurs which he hopes will prove helpful in his role as

Chair of SE.

* There was agreement on the importance of ongoing engagement with businesses and to better understand the skills they will need in the future and how this can inform SE's work with the Strategic Board in harnessing opportunities to provide support for people to upskill and re-join the labour market.

* The CEO has some innovative ideas on how SE can become involved in developing the young workforce in Scotland possibly working with others to raise awareness of the value of entrepreneurship as a positive choice for young people connecting in with the schools and education landscape. Mr Hepburn is keen to see progress on this and possibly meet with the CEO Steve Dunlop again as part of this.

* There was acknowledgement that Scotland performs well on inward investment but there was more that could be done on the exporting side and Lord Smith recognises that there is an opportunity to build upon and tap into the expertise of the GlobalScots network and the international staff on the ground across the globe.

* Lord Smith observed that there was a good relationship forming between the 3 enterprise bodies Chairs and the CEOs and he was looking forward to being part of the Convention for the South of Scotland. The inaugural meeting will be held on 3 February 2020 in Dumfries.

* Agreed that another meeting between Lord Smith and Mr Hepburn would be beneficial perhaps once some of the above areas have progressed.

Actions arising:

1/ In relation to the developing the young workforce discussion above as requested I have contacted Oonagh Gil who is taking this forwards. A further update from Oonagh's team will follow in due course.

2/ Mr Hepburn asked me to provide information to him on the Convention for the South of Scotland and I have provided below and attached some key information that he may find helpful. Happy to provide further detail should he require this.

Background to COSS

In the 2019 Programme for Government we announced the establishment of the Convention of the South of Scotland in order to 'bring together public bodies with responsibility for growth and provide a forum for the exchange of ideas on priorities and how to tackle key regional issues'.

Please note this is similar to Convention of the Highlands and Islands (COHI)

Remit of COSS

The remit of the Convention will be to:

- strengthen alignment between the Scottish Government, the two local authorities and public agencies delivering in the South of Scotland to drive inclusive growth and to agree action to address the priorities of the area;
- ensure effective partnership working and delivery across the public sector;
- consider current and future challenges impacting on inclusive and sustainable economic growth; and agree actions to deliver that growth; and
- address any blockages and oversee progress.

Ministerial involvement

DFM will chair COSS (he is also chair of COHI), and Mr Ewing will attend each meeting.

Other Ministers are invited to chair agenda items specific to their portfolio. For the inaugural meeting, Mr Matheson will attend.

Membership of COSS - Please find attached

Agenda for inaugural meeting (3 February 2020, Dumfries)

The following items are the substantive agenda items for the inaugural meeting:

- Vision and ambition – this will focus on opportunity areas for the South (building on work from SOSEP) to seek endorsement and agreed action across partners on realising such opportunities. This will be important scene setting for COSS at the inaugural meeting;
- Transport – this will cover ambitions for transport in the South of Scotland, transport governance and links to the ongoing work on National Planning Framework 4; and,
- Skills – this will particularly focus on the link between skills/skills provision and regional demographics.

Future meetings

Similar to COHI we will have two meetings per year of COSS. The next meeting is scheduled for September 2020.

Regards

Marion McCormack

Marion McCormack|Head of BRES| Business Engagement & Regional Economic Development

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T: [REDACTED] M: [REDACTED]

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Scottish Enterprise

18th July 2019

Derek Mackay MSP
Cabinet Secretary for Finance, Economy and Fair Work
The Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3GD

Dear Derek

SCOTTISH ENTERPRISE – LETTER OF GUIDANCE 2019-20

Thank you for your letter of 2 July 2019 providing strategic guidance to Scottish Enterprise (SE) for our 2019-20 operating year. It helpfully sets out your expectations of SE, building on the joint Strategic Letter of Guidance to SE and our partner agencies in January 2019.

As you acknowledge in your letter, SE's new Strategic Framework is ambitious and forward thinking and is firmly focused on delivering against the Scottish Government's purpose of creating a more dynamic, sustainable and inclusive economy in Scotland. The performance measures and targets set out in our plan, align to both the National Performance Framework and the Strategic Board's performance framework, allowing the enterprise & skills agencies collectively to demonstrate Scotland's progress towards achieving higher levels of productivity, equality, wellbeing, and sustainability.

Our new vision, purpose and values bring greater clarity to who we are, greater focus on the job we are here to do, and greater transparency on how we will carry out our work to support the economy, communities and people of Scotland. By helping to build economic resilience; investing in growth; and, addressing long term opportunities and challenges facing our economy, such as Brexit and the Climate Emergency, SE's Strategic Framework will continue to shape SE's transformation over the next 3 years. On behalf of our Board and Executive Team, I thank you for your positive feedback and support to date on our journey.

As you set out in your letter, SE are committed to implementing the Strategic Board's Strategic Plan and working collectively with partner agencies, the Analytical Unit and the Board to deliver the actions and recommendations set out within it. We will also continue to build on the good work achieved this year in further aligning agency's plans.

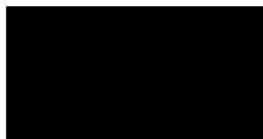
SE is fully committed to driving progress across the areas set out in your letter, and I will continue to ensure SE meets the delivery and reporting requirements in the annex on Specific Requests of Public Bodies.

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Please let me know if you would like to discuss this further and I look forward to our continued positive strategic dialogue with yourself, Scottish Government and the Strategic Board.

Yours sincerely



Wille Mackie
Interim Chair