

6 August 2020

Nicola Sturgeon, MSP
First Minister of Scotland

Dear Nicola

A great deal has happened since we last met. I can only imagine how challenging the last few months have been professionally and personally. I hope you are keeping well.

I only choose to write at this time out of profound concern for the employment prospects, health and wellbeing of the people of Scotland as we enter the bleakest of Autumn months. Earlier this week the Scottish Government, in its response to the Advisory Group on Economic Recovery (AGER), outlined its vision for a jobs and investment focused recovery to address an economic challenge on a scale 'that we have not seen in our lifetimes'.

On the same day I met with my fellow members of the Scottish Enterprise (SE) Board to discuss your Government's response. As you know, we passionately share your commitment to building a stronger, fairer, greener economy.

[REDACTED]

[REDACTED] This is something the team have discussed at length with Fiona Hyslop who has our concrete proposals, and to whom I have sent a copy of this letter.

SE's success in stimulating demand has created a two-year strategic pipeline of projects (21/22 & 22/23) that would create nearly 15,000 jobs and leverage £895 million of private sector investment with a cumulative GVA of £32 billion. A significant amount of this investment is in Capital and FTs which I know you are due to discuss at Cabinet next week. We are unable to realise these opportunities due to the steady decline in our budget overtime, and the amount of commitments we have to existing projects, many of which amount to 5-10 year commitments which are incredibly difficult to manage on an annualised budget.

However, this is about a great deal more than SE. The organisation, under Steve Dunlop's unassuming and uniquely collaborative leadership, has made significant strides over the past few years, exceeding the stretching targets set by the Board and more recently supporting the Covid response through its successful delivery of the hardship, resilience and early stage funds. But the real prize here is a national economic development agency that is equipped with the resources to play a full and pivotal role at the heart of the economic ecosystem, working with others in the public, private, voluntary and academic sectors to deliver at a regional, national and international level. The AGER response made clear that it is by everyone working together that we will achieve the recovery that is needed, and a properly-resourced SE is uniquely placed to leverage the relationships and networks that are needed.

SE will continue to use all of the considerable talent and expertise at our disposal to help you steer Scotland's economy through the current crisis, while simultaneously helping to build a brighter future. However, as things stand, we face the prospect of having to slow down and turn down critical job creation and economic growth programmes; there is considerable economic and political risk associated with the current path we are on and I would be doing you a disservice by not highlighting those risks and the opportunity that exists to mitigate them.

We are at a critical point. Decisions made in the next few days and weeks will have long-term consequences. I stand as ever, ready to help in any way I can.

Yours,
Robert

Lord Smith of Kelvin, KT CH
Chair, Scottish Enterprise

Introductory meeting with the enterprise agencies - 22 June 2021

Participants

Cabinet Secretary for Finance and the Economy

Minister for Business, Trade, Tourism and Enterprise

Alistair Dodds, Chair, HIE

Charlotte Wright, CEO, HIE

Russel Griggs, Chair, SOSE

Jane Morrison-Ross, CEO, SOSE

Lord Smith, Chair, SE

Linda Hanna, Interim CEO, SE

Colin Cook, Interim Director of Economic Development

Richard Rollison, Interim Director, DIT

Kat Feldinger, Investment Finance Division

Jon Pickstone, Deputy Director, Regional Economic Development

[REDACTED], Enterprise Sponsorship Team

Callum McCaig, Special Adviser

* The Cabinet Secretary set out the areas now included in the much broader Finance and Economy portfolio. Their inclusion in the same portfolio presents a real opportunity to look at the interaction between areas feeding into the economy and economic development.

* Her one, overarching priority is to deliver the new 10-year strategy for economic transformation. For development over the next few months, this will clarify the Government's vision and ruthlessly prioritise areas of focus (with an acceptance that there will be less focus on other areas).

* Its development will be guided by three questions:

* where does Scotland want to be in 10 years?

* what do we have to do to get there?

* who is going to deliver the step change needed?

* Mr McKee is leading work on the data that will underpin the strategy and inform the prioritisation

exercise. It needs to recognise Scotland's strengths and areas of greatest potential and to have a

regional filter. Financial constraints mean that it will be critical to use all levers at our disposal.

* The new Council for Economic Transformation will be brought together in July to help develop the strategy.

* Given their on-the-ground experience, the enterprise agencies' involvement in this work will be critical, alongside other public and private sector partners.

In discussion, it was noted that:

* there is an urgency to the work to develop and start delivery of the strategy - we are at a crossroads and need to take advantage of opportunities;

- * the worsening of inequalities and child poverty due to the pandemic has been well documented - what's required is fair work and a growing economy, and an absolute focus on promoting prosperity;
- * the regional dimension is particularly important - any strategy should be for the whole of Scotland and, for example, sensitive to the differing impact that the number and types of jobs created has in different areas of the country;
- * delivery of the strategy, through partnership working, will be key - learning from the pandemic should inform how delivery agencies can work together as a system going forward;
- * it will be important to consider to what extent the strategy should focus on resilience or future growth;
- * also important will be linkages across policies, for example transport infrastructure, housing and population;
- * alignment with the new strategy will require consideration of existing year-to-year commitments to make sure that interventions contribute to delivery of the vision;
- * it will be important for the ESSB's strategic plan refresh and development of the enterprise agencies' new 3-year strategies to align with the 10-year strategy;
- * effort is being put into building data capability to inform decision making, but this is still work in progress;
- * maintaining the status quo is not an option in any sector, for example retaining people and skills in the tourism sector requires a step change on fair work, productivity and digitalisation;
- * the strategy needs to focus on actions and to be presented in a way that engages its audience.

Each of the agencies presented information on their immediate priorities, as set out in their annual business plans.

Mr McKee agreed that it was important for the different strategies to align and for the 10-year strategy to articulate, in detail, what will be delivered. Conditionality on fair work will be key, as well as addressing practical issues such as material shortages.

The Cabinet Secretary reiterated that progress on delivering all of the Government's aims is dependent on a thriving economy and that the enterprise agencies are fundamental to delivering this.

She invited the agencies to provide their thoughts in response to three questions:

* on the vision, where does the Scottish Government need to be clearer, more robust and demonstrate greater prioritisation?

* on the 'how', what are the three biggest job creating opportunities over the next 5 years?

* on delivery, where do opportunities exist for greater collaboration to deliver a Team Scotland approach?

Action: HIE, SOSE and SE to prepare short submissions responding to these questions.

The Cabinet Secretary said that she looked forward to working in partnership with the agencies on unpacking these three questions in regular meetings.

From: Lord Smith of Kelvin
Sent: 13 October 2020 10:17
To: Cabinet Secretary for Economy, Fair Work and Culture
Cc: DG Economy ; McAllan M (Mary) ; Rollison R (Richard) ; Quinlan K (Kevin) ;
Mactaggart E (Eilidh) ;
McCaiq C (Callum) ; Linda Hanna ; Charlie Smith ; John Booth ; Simon Forrest ;
[REDACTED] ; Lord Smith
of Kelvin
Subject: Note from Lord Smith of Kelvin, Chair, Scottish Enterprise
Importance: High

Dear Fiona,

Thank you very much for participating in our Board Strategy discussion last week.

I appreciate just how busy you are, particularly at the moment, and the Board and I were grateful for the time you were able to afford us, to share your thoughts and hear directly about our plans and challenges. We were particularly appreciative of the supportive messages you gave in relation to our budgets and the commitment to do all you can in that regard. Any further assistance will help Scottish Enterprise support the national mission to protect and create jobs and to play our part in Scotland's economic recovery.

Thank you also for your email of 6 October concerning the interface between Scottish Enterprise and the Scottish National Investment Bank. Your personal engagement in this is welcome and I am happy to provide a clear commitment to work collegiately – and quickly – with Willie's team, to ensure both organisations fully understand their roles in the economic development system, have access to all the levers necessary to fulfil that and set out how we can most effectively work together to benefit Scotland's economy.

I also understand you have asked to meet with my Board colleagues in the coming months. We clearly have a big job to do in the short term in helping guide and support the organisation following Steve's decision last week but are considering how best to meet your request, also taking cognisance of the many other undoubted pressures on your diary. As part of this, I am particularly keen you have early conversations with Willie Mackie (as Deputy Chairman and

Chairman of SE's Audit and Risk Committee), Melfort Campbell (given his experience and tenure on the SE Board which is coming to an end soon) and Dame Anne Glover (with her experience and knowledge of international networks, academia and the wider system). We will take forward arrangements with the sponsor team and your office.

Please do let me know if you would like to discuss any of this further and thank you again for your support, particularly in recent days and weeks.

Yours sincerely

Robert

Lord Smith of Kelvin, KT CH
Chair, Scottish Enterprise

For the latest advice and guidance for businesses in Scotland affected by Covid-19 visit:
FindBusinessSupport.gov.scot
[#FindBusinessSupport](https://twitter.com/FindBusinessSupport)
Scottish Enterprise
<http://www.scottish-enterprise.com>

Privacy - Your personal information is processed by us in accordance with our privacy notice and data protection legislation. You can find more information by visiting our privacy notice at <https://www.scottish-enterprise.com/help/privacy-notice>

Follow us on Twitter at <http://twitter.com/scotent>
Follow us on Facebook at <http://www.facebook.com/scottishenterprise>

Head office and contact details:

Atrium Court
50 Waterloo Street
Glasgow
G2 6HQ
Tel: +44(0)300 013 3385

Message is sent in confidence for the addressee only. It may contain legally privileged

information. The contents are not to be disclosed to anyone other than the addressee.

Unauthorised recipients are requested to preserve this confidentiality and to advise the sender

immediately of any error in transmission.

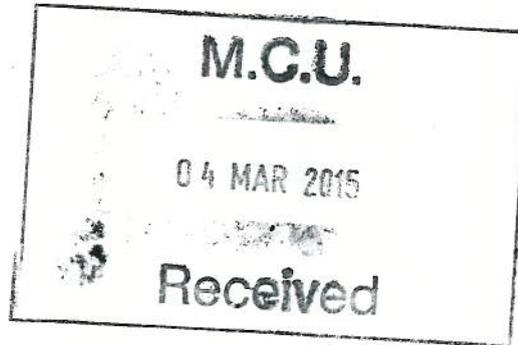
This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>



Scottish Enterprise

9 February 2015

John Swinney MSP
Deputy First Minister
The Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG



Dear John,

PROGRAMME FOR GOVERNMENT: STRATEGIC GUIDANCE FOR SCOTTISH ENTERPRISE

Thank you for your letter of January 6th, providing Strategic Guidance for Scottish Enterprise (SE), following the publication of your Programme for Government.

Your letter helpfully sets out your expectations and emphasis for SE at a time when our Board and Executive Leadership Team finalise our Business Plan. In developing our three year plan, we have taken stock of our progress and considered changes in our operating context, both in terms of how the economy is changing and shifts in our overall policy environment. This year, we are giving deep consideration to many of the issues you highlight in the new Programme for Government, such as the increasing focus on creating more, better paid jobs and tackling Inequality, the role of Communities as well as areas we already prioritise and have expertise in, namely Innovation, Investment and Internationalisation.

I am encouraged you see SE playing an important role to inform, influence as well as deliver actions to help address this agenda. And while we will be happy to support in all the areas you have outlined in your letter, I will concentrate here on where I think SE can make the most tangible and impactful contribution:

BOOSTING THE ECONOMY – CREATING MORE, BETTER PAID JOBS

Innovation and Internationalisation

I am particularly pleased you see SE taking a central role in addressing the critical task of improving Scotland's performance in relation to Innovation and Internationalisation. From the evidence we have built up, we see how strongly these drivers are inter-linked and along with the importance of leadership, how critical they are to company growth. As a result, we have placed enhancing Innovation and Internationalisation performance front and centre in SE's plan over the last two years. As we have discussed before, I totally agree Scotland needs a step-change in performance to create an economy that thrives in these areas. In our new three year plan, we will set even more ambitious targets for both areas, to help bring Scotland closer to the best performing OECD nations.

Crawford Gillies
Chairman

Atrium Court
50 Waterloo Street
Glasgow G2 6HQ

Telephone 0141 228 2255
Fax 0141 228 2040

Email crawford.gillies@scotent.co.uk
www.scottish-enterprise.com



Going further and faster on these areas will require ambition, clear leadership and meaningful collaboration to join-up efforts by all of the key players, public and private. We will continue to fully engage with partners, as well as seeking to maximise new sources of funding for innovation, from bodies such as Innovate UK and through programmes like the Vanguard Initiative, Horizon 2020 and EU Structural Funds – all of which SE is already deeply involved in, along with Government colleagues and others across the public sector.

Establish the Innovation Forum

We see the new Innovation Forum as a key opportunity to build ambition for innovation, and provide a mechanism for practical collaboration by public and private sectors to develop a much more innovative economy with an international focus. We are already engaged with your officials to help shape this and we will do all we can to help make the Forum a success. SE will ensure we share evidence and examples of best practice elsewhere in the world of what works to enhance innovation performance and drive economic impact, as well as working with partners on practical actions to boost the innovation journey.

Develop Innovation and Investment Hubs

We are very keen to help define the role of the proposed Innovation and Investment Hubs, which we see as an important step in extending our collective efforts to internationalise the Scottish economy beyond increasing trade and investment. As a new mechanism, they can help Scottish businesses and institutions build even greater profile and forge new relationships in international markets. With our experience promoting Scotland internationally, and overseas' presence through SDI, we will use our learning, insights and networks to help inform the development of the Hubs.

It will be important that the response to different locations reflects the scale of opportunity and Scotland's current profile. London, for example, could be a significant starting point, given the city's status as a globally significant metropolis and financial centre. But we are also in the early stages of a new project to develop a showcase facility to demonstrate Scotland's premium offering to Chinese consumers in Shanghai. This will provide a physical space for companies and partners to engage with purchasers and suppliers and help support a step change in the level of trade achieved. At this stage, this is very much a research project to help better understand market entry strategies. We will keep your officials informed as this progresses.

Establishing the Scottish Business Development Bank

Access to finance for growth companies is an important and integral part of our current support to business. Through our work via the Scottish Investment Bank (SIB), we have a highly effective and internationally regarded model of best practice for companies which need access to growth finance, successfully sharing risks with the private sector. I am keen the work to establish the new bank builds on this model, while retaining the benefits from close integration of finance as one component of our integrated support package to growth companies, including assistance for innovation and international growth. We have considerable evidence of the positive impacts our approach has brought to the economy. We are working closely with your officials sharing our evidence and expertise to help shape the new bank's focus. It will be critical to ensure the way in which this is implemented makes the most of the opportunities this new bank could present and addresses your priorities set out in your letter.

I note your request for us to review the impact of the work by SIB, taking account of the new themes and priorities of the Programme for Government. As part of our evidence-based approach, we are currently evaluating the entire core suite of funds within the SIB portfolio, and will share the results when the work is finalised in the coming months. We will ensure this work and the evidence we gather, addresses the questions raised in your letter, including future returns, the scope for creating an evergreen structure and lessons from practice overseas.

International Framework

We recognise the importance of refreshing this strategic framework and our staff are already heavily engaged with your officials in its development. On policy issues such as exploring the implications of the new Trans-Atlantic Trade and Investment Partnership agreement (TTIP), the Wilson Review and preparations for forthcoming Parliamentary Enquiries, we will continue to engage with your Business and OCEA officials, and similarly work together on the development of the performance measurement framework on trade and investment.

Low Carbon, Renewables and Digital

You are aware of the priority SE has placed on Low Carbon and Renewables over the last 4 years in our Business Plan. You can be assured of our ongoing support for the Government's continuing commitments on Low Carbon and Renewables and we will continue to develop and re-calibrate our approach to respond to opportunities. This includes the development of the Low Carbon Infrastructure Transition Programme, Wave Energy Scotland and community empowerment on renewables. Similarly, I am happy to confirm our continued role in Digital, including the Business Excellence Partnership and the Cyber Resilience Strategy.

Business Gateway growth pipeline

I completely agree that significantly improving the number of growth companies to enhance the scale and performance of the Scottish business base is important for Scotland's economy. The operation of the Business Gateway Growth Pipeline is a key part of this and we have worked closely with all partners over the last year to identify opportunities and practical actions for better alignment. We see this as a priority in helping to close the performance gap on key drivers such as innovation and internalisation. We also see this as an opportunity to demonstrate deep collaborative working that will benefit businesses and bring clarity and ease of access to business support. The new round of EU Structural & Investment Funds provides an excellent opportunity to address this further, where improving this pipeline is already an important shared objective between partners.

Cities

We will continue to build on our engagement with the Scottish Cities Alliance and I am pleased you see the value we will add through our national perspective. We understand the important strategic role Cities play in our economy, in terms of stimulating internationalisation, innovation and investment, and look to work even more closely with our partners on this agenda.

BUILDING A FAIRER SCOTLAND: FAIR WORK CONVENTION AND THE SCOTTISH BUSINESS PLEDGE

We are particularly keen to share our expertise of working with businesses and will work closely with your officials on developing policy and practical actions on this key strand of the Programme for Government.

Scottish Business Pledge

We see the Scottish Business Pledge as an early priority and a key area for SE to work with you and your officials to develop and implement. We recognise this is a significant development in taking forward an approach to address drivers that enable economic growth, and at the same time, promote good management and business practices that help tackle inequality. I am pleased you have asked us to support this. Early thoughts on key areas we could support include: developing the practical detail of the Pledge; engaging with businesses to seek their input; and helping to shape the language and benefits of the Pledge to encourage businesses to become involved. As the prize could be significant, it is critical we get this right.

To this end, SE is keen to work closely with your officials and our partners to help shape this. We can deliver strong engagement with business - including Industry Leadership Groups and with companies, entrepreneurs and potential investors from international markets – to ensure the adoption of the Business Pledge helps improve Scotland's international competitiveness, as well as a mechanism for building a fairer society.

Similarly, we will consider how SE can best address the issues you highlight in your letter, such as the promotion of employment opportunities for women and young people, leading by example in terms of our responsibilities as an employer. We are already fully engaged on the work from the Commission for Developing Scotland's Young Workforce, and actions to implement the recommendations closely linked to SE's work are on track.

You will be aware as an employer, SE has focused on how we fully demonstrate our own commitment to the Youth agenda and I am delighted we have recently been assessed and awarded the new Invest in Young People Accolade. With regard to board membership, further to recent discussions with your officials, I can also confirm that SE will commit to the Partnership for Change. We recognise attracting the very best, diverse talent contributes to developing the most effective board and we are committed to seeking board applications from the widest pools and to eliminating any unconscious bias. We are confident that will result in a gender balanced board within SE well ahead of the 2020 objective. As with the Scottish Government's position, SE too already pays the Living Wage to every employee and we are reviewing our contracting process to identify opportunities to extend this here too.

PROTECTING AND REFORMING PUBLIC SERVICES

SE will continue to consider how best to support civic engagement and empowerment. We have made significant improvements in how we engage at the local level, with active involvement of senior staff with Local Authorities and other partners. We are directly involved in all Community Planning Partnerships in our area and as part of this help identify strategic assets in local areas that help build economies, both locally and nationally.

We see the benefits of this approach so we are seeking to build on this including strengthening our contribution to Community Planning Partnerships, in advance of the passing of the Community Empowerment (Scotland) Bill. This will help us build on the progress we have made, with better delivery of shared outcomes for localities. We have good examples where sharing of knowledge, expertise and management approaches has led to improved local outcomes – such as in North Ayrshire, where our staff helped North Ayrshire Council develop an enhanced business support service targeting companies with growth support. We are currently taking the lessons from North Ayrshire and rolling this out to other areas, such as Dumfries & Galloway and Fife. As part of this we will consider how to build on our existing support for Social Enterprise.

Collaboration

I note in your closing comments you draw out the importance of collaboration, something I also feel very strongly will enhance impact. I hope you recognise in my response to your guidance letter and how you know we work, that we take our commitment to this way of working very seriously. Over the last year SE senior staff have worked with colleagues in partner organisations and Scottish Government to identify the challenges and opportunities to collaborating much more deeply as well as identifying practical ways to make this way of working business as usual. A good example of this is our work with Scottish Funding Council on Innovation Centres, reflecting our commitment to helping make these a success. We welcome your continued and increased emphasis on collaboration in the new Programme of Government, and I am encouraged the Government is prepared to take such a strong lead.

Finally, I am particularly keen SE is deeply engaged to help support your plans to refresh the strategic and policy framework that will influence the longer term development of our economy. Given its importance and timeliness of our discussions, I am keen the development of the Government's Economic Strategy forms a key part of our discussions when the SE Board and senior management team meet with you, particularly to identify how we can help. I am pleased we have secured a date to meet with you in March and look forward to discussing priorities with you then.

Yours sincerely

A solid black rectangular box used to redact the signature of Crawford S Gillies.

Crawford S Gillies

19 June 2017

Keith Brown MSP
Cabinet Secretary for Economy, Jobs and Fair Work
The Scottish Government
Victoria Quay
Edinburgh
EH6 6QQ

Dear Keith

SCOTTISH ENTERPRISE – STRATEGIC GUIDANCE 2017-18

Thank you for your letter of 7 June 2017 providing strategic guidance to Scottish Enterprise (SE) for our 2017-18 operating year. I found it helpful to see your expectations of SE set out in this way, as we anticipate the publication of the outcomes of the Enterprise and Skills Review.

As we discussed, SE wholeheartedly shares the Scottish Government's ambition to help Scotland's economy grow, compete internationally and increase productivity. We also share your ambition for much closer working by public bodies and with private partners; we see this having the potential to achieve a better impact for Scotland. As Scotland's national economic development agency with both an international and local reach, I assure you SE will fully play our part in delivering these aims, not least as part of the implementation of the outcomes of the Enterprise and Skills Review.

Your letter recognises that driving productivity and sustainable growth in Scotland's businesses and sectors is at the heart of what we do and is reflected across a range of actions by SE. We remain fully committed to driving progress across the areas you set out, building on our achievements and optimising results from the resources we draw on.

I know you recognise SE's budget allocation for 2017-18 will force us to make choices, particularly on capital investment. This reflects the tight budgetary position faced across the public sector as well as the strong pipeline of projects we have developed over recent years that could significantly help grow our economy. We will continue to work closely with your officials as we prioritise our work to ensure the best impact possible from our investment and delivery.

We will continue to focus on internationalisation, innovation and investment, seeking to maximise the impacts of our work here on supporting growth of businesses across Scotland, helping to build Scotland's sector capability to compete globally and making a contribution to regional growth.

Bob Keiller
Chairman

Atrium Court
50 Waterloo Street
Glasgow G2 6HQ

Telephone 0141 228 2904
Fax 0141 228 2040
Email bob.keiller@scotent.co.uk
www.scottish-enterprise.com

I welcome your offer to meet again with the SE Board and our Executive Leadership team and I would like to extend an invitation to you to join the SE Board for dinner on the evening of Thursday 26 October to discuss future opportunities and our priorities for developing Scotland's economy.

Yours sincerely



Bob Keiller CBE

Minister for Business, Trade, Tourism & Enterprise meeting with Lord Smith

Friday 9 July, 16.15-16.45

Attendees

Ivan McKee, Minister for Business, Trade, Tourism & Enterprise

Robert Smith, Lord Smith of Kelvin, Scottish Enterprise Chair

Colin Cook, Director of Economic Development

[REDACTED], Scottish Enterprise Sponsorship Team

Minute

1. Lord Smith noted he had been approached by Nick Maclean, Scottish Government Trade Envoy, who had advised that the United Arab Emirates were interested in increasing their activities in UK, specifically Scotland, and wished SDI to become involved. Lord Smith sought clarity on Mr Maclean's position and the Trade Envoy role. The Minister confirmed that Mr Maclean was the SG Trade Envoy based in Dubai, and noted Trade Envoys had a similar function as Global Scots, but held the additional ability to speak on behalf of Scottish Ministers in a limited capacity. Trade Envoys were appointed based on their extensive foreign market experience and contacts networks.

2. Lord Smith noted if such foreign investment opportunities existed, there needed to be a more proactive approach to directing businesses to them. The Minister noted the new Global Capital Plan would seek to sell Scotland as an investment location, and make links with interested investors.

3. The Minister noted the number of Global Scots was about to hit 1,000, and SG was eager to expand the network. Lord Smith noted that his recent work on the Benny Higgins' Advisory Group on Economic Recovery report he had been surprised how many large foreign companies the report had engaged with that had Scottish-born CEOs. Although now based overseas, many had expressed an interest in how they could feed back their skills and experience into the Scottish Economy. The Global Scot network could make use of this wealth of experience.

AP: Lord Smith confirmed [REDACTED] would share his contact list with Colin Cook.

4. [REDACTED]

[REDACTED] The Minister noted that Michael Matheson MSP, Cabinet Secretary for Transport, Infrastructure and Connectivity of Scotland, was aware of the issue, and he would have Scottish Government officials liaise with the UK Government to see what pressure could be put upon them to respond to these requests.

5.

[REDACTED]
[REDACTED] The Minister confirmed officials would look into what could be done.

AP: Lord Smith's [REDACTED] would pass contact details [REDACTED] to Colin Cook's office.

6.

[REDACTED]

7. The Minister noted that Kate Forbes MSP, Cabinet Secretary for Finance and the Economy, was leading on the Economic Transformation Plan. Mr McKee was undertaking a analytical work behind the scenes that will help highlight what sectors will be increasingly important to the economy in the next 10 years, and which will struggle against trends. By way of example, hospitality had already been identified as a sector which will need to evolve to meet up with both Fair Work agenda and changing markets. Lord Smith acknowledged that there would be a need for a carrot and stick approach, to encourage sectors to move to Fair Work, Living Wage etc through access to support.

8. The Minister noted that going forward there needed to be focus on encouraging start-ups, and he would take discussions on this forward at his regular meetings with the SE CEO. [REDACTED]

[REDACTED] Entrepreneurs needed to be encouraged to utilise this and other support to take the plunge into start-ups. Public support invested considerable sums into supporting larger struggling business which weren't viable, when a £500-£25,000 grant or loan could help start-up a company which could fill an emerging sector niche and after a few years could replace them and offer new secure jobs.

SE Sponsorship Team, 12 July 2021

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

Meeting with Sue Paterson

4 March 2021

Attendees:

Fiona Hyslop MSP, Cabinet Secretary for Economic Fair Work & Culture
Dr Sue Paterson, Scottish Enterprise Board

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

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. Dr Paterson noted that the Scottish economy was fragile, with business numbers lower than average for population size. Scotland would require a further 70,000 businesses to enter into the top quartile. Additionally, most Scottish businesses were small enterprises with under 10 staff.

2. However, she noted that Scotland was in top quartile in education and skills - Scotland therefore had the talent but were unable to translate that into entrepreneurship. A number of factors could be in play, from our culture not encouraging risk-taking in children, to universities not fully developing business skills in aspiring entrepreneurs, to the enterprise agencies perhaps not finding the right opportunities for our companies.

3. Dr Paterson however noted that pre-pandemic most companies were content so long as they were financially comfortable, while the pandemic had forced them to borrow money and consider new market opportunities to survive (e.g. digital markets); both key components of invest-to-grow business growth.

4. Dr Paterson noted she appreciated the “Preston model” for Community Wealth Building; having regional anchor institutions which proceed to develop a “business ecosystem” around them through stimulating new start-ups to form a localized supply-chain.

5. Dr Paterson noted SE was taking steps to only invest in Net Zero companies, although she felt SE needed to go further in their promotion and guidance to all companies on net zero, circular economy, waste reduction etc. However, she noted the world was in the midst of a catastrophic extinction event due to climate change, and the green economy should not be to the detriment of environmental sustainability e.g. increasing our coastal windmills and inland solar farms should not be done at the expense of habitat for wildlife. Cabinet Secretary felt Scotland was quite strong in including environmental protections in planning.

6. COP26 was also a marvellous opportunity for Scotland, although Dr Paterson noted that global emissions today were already 1% higher than they were pre-Covid.

Dr Paterson was concerned that the commitment to address global emissions by 1% by 2030 was not enough, a more ambitious target of 25-45% was needed to reduce global warming, but accepted that was outwith Scotland's control. Cabinet Secretary noted that the actual event itself will be stage-managed by the UN, however, Roseanna Cunningham, Cabinet Secretary for Environment, Climate Change and Land Reform, was heavily involved in the planning and discussions with UK Government about the run-up and legacy – promoting Scotland to investors and signposting to our own businesses the importance of Green Economy and Net Zero.

Scottish Enterprise Sponsorship Team
5 March 2021