

# External Network Evaluation – context & highlights overview

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Riaghaltas na h-Alba  
gov.scot

# Introduction and background to 2018-19 network evaluation context and highlights report

## Background to the network

The Scottish Government's external network of offices are located in China (Beijing), Germany (Berlin), Belgium (Brussels), France (Paris), Ireland (Dublin), UK (London), the USA (Washington DC) and Canada (Ottawa). The network delivers and supports activity by the Scottish Government, its agencies and public and private partners, in key locations outside Scotland, building on established expertise. The offices provide a platform for, and more joined up approach to, existing and new activity, with the scale, scope and focus of activity dependent on the specific opportunities in a particular location.

## The Strategic Outcomes

During the 2018-19 business planning process, 5 shared outcomes were agreed by the External Network Board to inform the activity and evaluation of the network. These embrace the aims and objectives of the range of strategies and plans in place across the network. Due to the varied nature of structures and governance across the network offices, not all offices contribute towards outcomes in the same way, although the 'reputation' and 'interests' outcomes engender much activity for every location.

- **Scotland's international reputation is improved** The external network endeavours to maintain and improve Scotland's reputation beyond its own borders. To sustain a positive reputation, the network needs to nurture an understanding of the distinctive nature of Scotland's assets.
- **Investment to Scotland has increased** The network seeks to increase investment into Scotland from elsewhere and, in particular, from the where the network's offices are located.
- **Scottish businesses are trading internationally more effectively** The network supports Scottish businesses to reach and develop new markets.
- **Scottish research and innovation capability is promoted and further partnerships and funding secured** An explicit focus of the network is to promote Scottish research and innovation capability, and to secure partnerships and funding for Scotland's institutions.
- **Scotland's interests in the EU and beyond are protected and enhanced** The network endeavours to ensure that Scotland's specific interests across a range of policy areas are protected and enhanced and that Scotland's voice is heard by foreign governments, institutions and citizens.

## 2018-19 for the network

2018-19 saw a further expansion of the external network, building on the establishment of offices in Dublin (2016) and London (2017), in April 2018 a new office was established in Berlin, Germany. The following month, works were completed on the refurbishment of the Scottish Government's existing office in Brussels, which was marked by an event to re-launch Scotland House Brussels. April 2018 also saw the launch of Scotland's new international marketing collaboration, *Scotland Is Now*, bringing together the Scottish Government, VisitScotland and Scottish Enterprise/SDI to create a new way of promoting Scotland internationally. Within the Scottish Government, the new Directorate of International Trade and Investment became fully operational in 2018 and a new Minister for Trade, Investment and Innovation was appointed, demonstrating the Scottish Government's commitment to driving better trade and investment outcomes.

Reputation

International trade

Research & innovation

Investment

Scotland's interests

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## Evaluation approach

Having assessed approaches internationally and taken Scottish Government's National Performance Framework's outcomes approach into account, an outcomes framework was developed, trialling a process and series of outputs for 2018-19 which are intended to inform the selection of a set of indicators for future years. Taking into account the range in scale and maturity of the offices, and the variability in data availability, the outcomes have been identified to bring a common structure and focus to office plans and ambitions. Given the nature of the objectives of the offices - to generate and support relationships to influence and underpin decisions to be made in Scotland's interest - and the varying delivery models across the network, the framework is based on the concept of 'contribution' towards shared outcomes, rather than direct attribution between specific activities and results. Emphasis has been drawn to distinguishing between activity data and outcome data. Outcome data for 'soft power' activity is challenging to identify and collect, and while the offices have made good progress in starting to gather and report 'results' data, we must recognise that results may not be identifiable within the same reporting year, so this is a longer term endeavour. The 2018-19 reports are therefore stronger on activity data than outcome data. Establishing the framework and evaluative approach has therefore been about articulating this set of shared outcomes and aligning data collection to the business planning process and objectives. Offices are expected to report on full years' activities, so the 2018-19 reports will include the efforts of 6 of the network's 8 offices, while Canada and Paris will first report in 2019-20.

## Reading this report

- **Baseline.** This is the first year of network-wide reporting and for the outcomes, 2018-19 is the first year of identifying and collecting the data, so relatively few trends can be included. We expect this to improve in future.
- **Pilot.** The approach adopted and the reporting templates issued all depended on offices assessing their data needs and collecting the required data throughout the year. Not all the offices have been able to do this sufficiently to tell their full 'contribution story' for 2018-19, so the quality of the data reported across the reports varies. In particular, identifying and collecting outcomes data was a particular challenge for some offices. We plan a review of the process, the template design and of the resource required to report annually, to adapt the pilot process to better fit with resource for 2019-20.
- **Varied.** While some offices were able to produce their data plans during the year, others were not, so it was not possible to identify a core set of shared indicators for each office to report for 2018-19. Instead the evaluation handbook prompted and suggested a range of possible indicators and analysts supported offices to draw down the best available to follow their activity data. The range of remits and structures also presents a challenge for shared indicators. We hope that the review of the process, and of the set of 2018-19 reports will allow us to identify whether a set of indicator is possible for future years.
- **Matched** with 2018-19 Business Plans. Each office report should be considered alongside its 2018-19 business plan, to ascertain whether progress on the objectives set out in the business plan are visible in the evidence of the evaluation report. As the business planning and reporting process matures, each evaluation stage will inform the next year's objectives, and trend reporting will improve over future years also.
- **Context and Highlights.** This report draws together data relating to the overall Scotland-level performance on each of the 5 outcomes, and illustrates this context with examples of connected activity from the network office reports. We are not attributing the office activity to the high level Scotland-level context outcomes. In future years, network offices will report improved data for their local outcomes, and we will track effects and longer term outcomes to understand their impact in Scotland.

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Scotland's international reputation continues to improve. In 2018 Scotland scored its highest ever score in the National Performance Framework indicator for reputation (since data collection began in 2008), ranking 16<sup>th</sup> of the 50 countries in the index.

Scotland's strengths are perceived to be in Tourism and Governance, and of the 8 countries that ranked Scotland in the Top 10 nations for Tourism, 5 were network locations (the United Kingdom, Canada, France, Germany, and the United States)

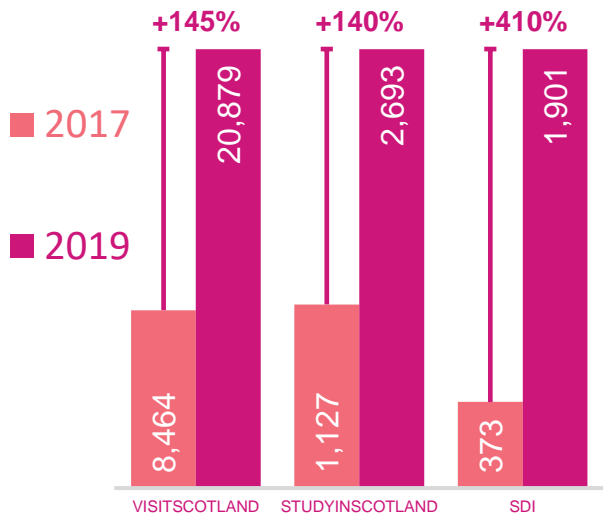
Part of the unique Scottish representation that the network offices provide is in sharing Scottish cultural experiences in network locations, particularly over the Winter festivals of St Andrews and Burns Night. In total, these 6 network offices hosted/represented Scotland at 15 major winter festival events. In Brussels, 2018-19 saw the first outdoor ceilidh with 300 participants and 9000 video views, while London facilitated the FM as the Guest of Honour at the first Lord Mayor's Mansion House Burns night, with 235 finance sector leaders.

Over the year, The First Minister visited 4 of the 6 network offices reporting, and in total, Scottish Ministers made 66 visits across the network in a wide range of engagements designed to raise Scotland's profile and make our opportunities better known. In 2018-19, this included promoting the Scottish position in relation to Brexit, and disseminating 'Scotland's Place in Europe' in particular.

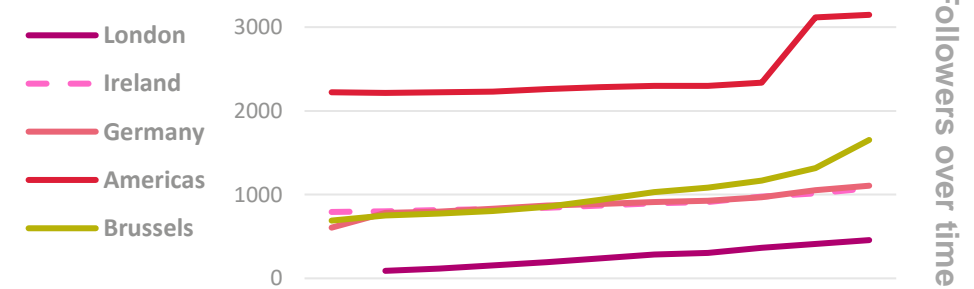
# #SCOTLANDISNOW

April 2018 saw the launch of the #ScotlandIsNow branding campaign, intended to help shape Scotland's reputation internationally, and to focus on a Scotland "where anything is possible". Launch events were held in three of the external network locations, and the campaign has reported success in increased referrals to partner sites, with an 1,188% uplift in USA referrals to SDI during campaign launch, and a 151% whole-year increase in referrals in 2018-19.

SCiN referrals to partner sites:

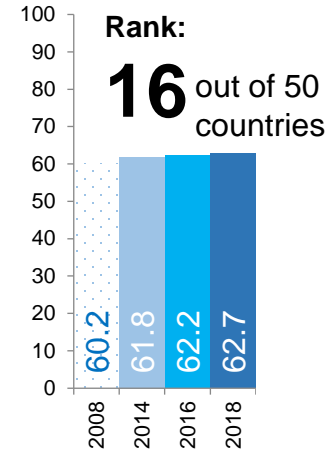


During 2018-19, the External network offices developed their social media presence and approaches, and over the year, each office reported a steady increase in its social media activity. Activity varies according to each location, ranging from 25m reads and 10m reaches for Beijing on Weibo, to @ScotGovGermany achieving 1,234 Twitter followers in its first year of operation



# Scotland's Reputation 2018

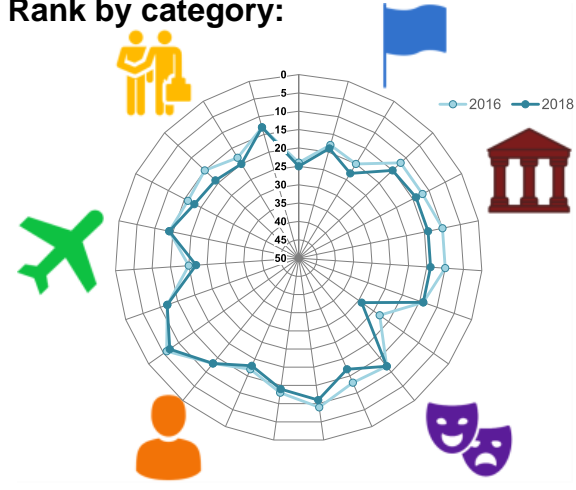
This indicator is based on Scotland's score on Anholt-GfK Roper Nation Brands Index



In 2018, Scotland ranked:  
6<sup>th</sup> in UK  
10<sup>th</sup> in Canada  
11<sup>th</sup> in USA

In Canada, Argentina and France, Scotland's rank was higher in 2018 than in 2016.

Rank by category:



NBISM Words associated with the experience of visiting Scotland (2018)



International trade

Context; 2018-19 SDI data saw planned sales from international exporting increase to £1.5bn (from £1.3bn in 17-18), across 638 projects with 575 unique companies

Over the reporting year, Scotland spent £30m a year on export support, and 11,000 of Scotland's 346 000 companies export.

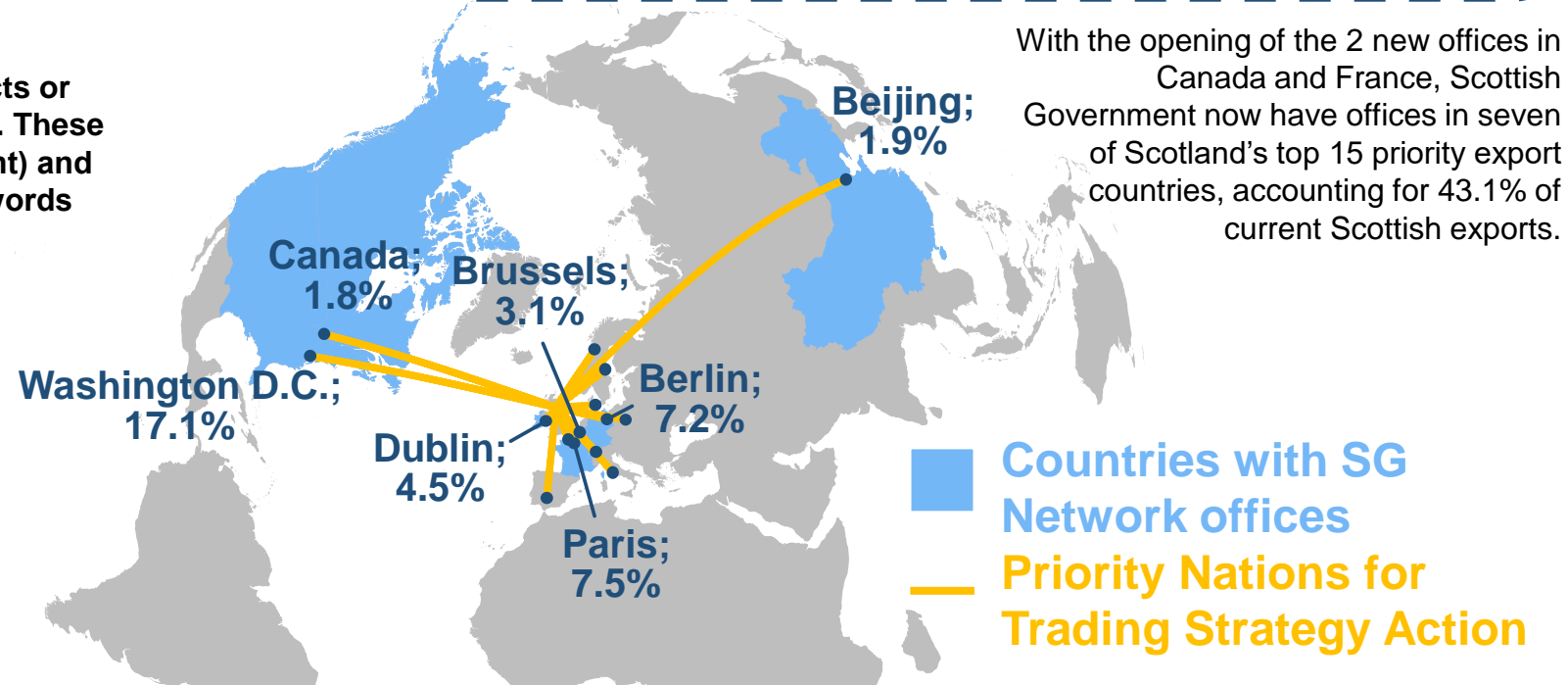
Across the year, network offices focused on developing stronger relations with SDI country teams, and in the European hubs, on embedding SDI resource within the Scotland House model. Offices facilitated a range of trade missions, in partnership with SDI colleagues and targeted their efforts on key sectors (e.g. Washington's success in signing a 3 pillar agreement with the New Jersey State government – with one pillar focussing on **offshore wind technology**). The year saw Ireland become Scotland's fifth biggest export market, while membership of Scotland House London increased to 209 – the majority of whom seek to trade into or through London.

In Washington and Beijing, the offices hosted **61 + 21** engagements, collaborating with SDI partners to strengthen Scotland Trade links. Both export markets strengthened across the year.

Collaborations across the network flourished, and partnerships with Chambers of Commerce featured strongly in the work of the Dublin and London offices in particular, and in target locations such as Hamburg, Germany



Scotland's Nations Brand Index reputation shows the products or services that were most commonly associated with Scotland. These were 'Agriculture' (24 per cent) followed by 'Food' (17 per cent) and 'Crafts' (16 per cent), whilst the least commonly associated words were 'Oil' and 'Film and Television' (six per cent each).



With the opening of the 2 new offices in Canada and France, Scottish Government now have offices in seven of Scotland's top 15 priority export countries, accounting for 43.1% of current Scottish exports.

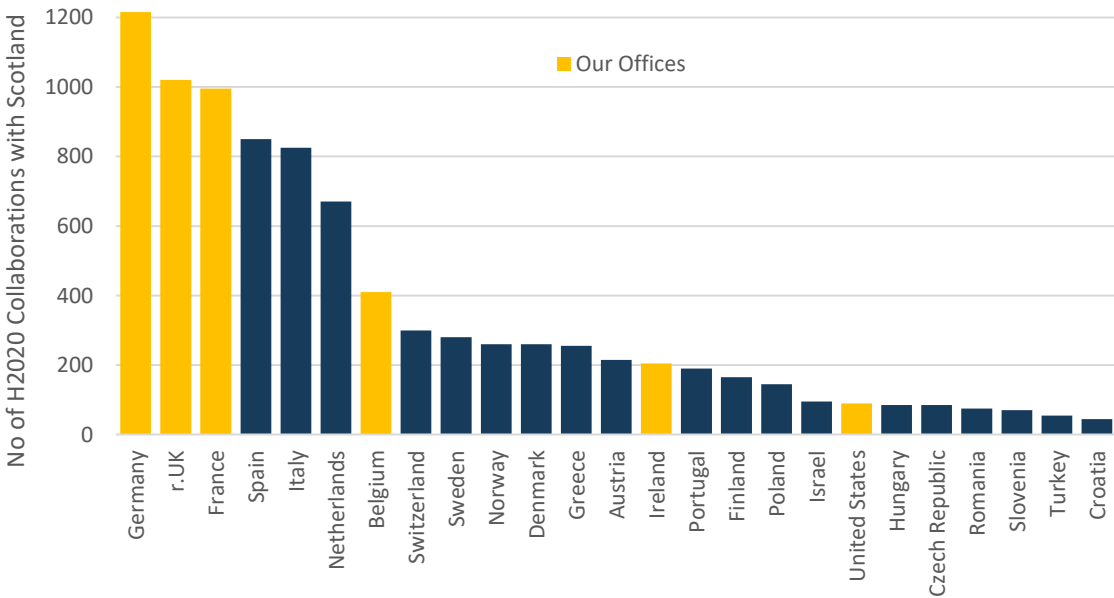




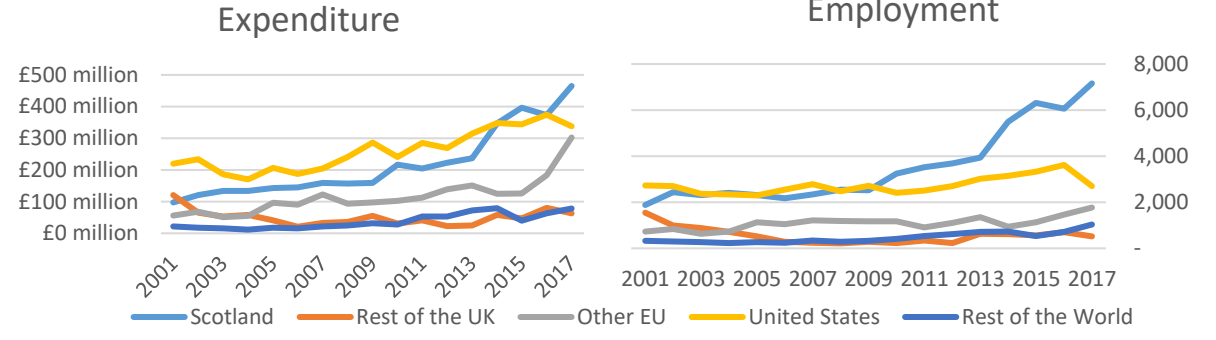
Generally, while Scotland has a mixed performance in terms of innovation (with notable strengths and challenges evident), it performs well internationally in terms of its Higher Education sector (was the 7th highest in the OECD in 2017 for R&D expenditure as % of GDP) and overall rates of business innovation in some sectors.

Context: In terms of investment, from 2012, EY reported that Scotland had secured the highest number of R&D projects of all the UK regions, and by 2017 R&D FDI projects represented 24% of all UK projects. However, the EY 2019 Attractiveness survey (Scotland) reported a drop in 13 projects in 2018, representing 59% fewer R&D investments in that year. This trend mirrored UK performance more generally. Nonetheless, there were rises in the Digital and Business services which recorded the highest number of inward investment projects, together accounting for 34% of investment into Scotland.

In 2018-19 the network had offices in 5 of the top 25 countries collaborating with Scotland in H2020 grants, and with the opening of the Paris office this grew to 6. In 2018 China and Canada moved into Scotland's 'top 25' of H2020 collaborators where Scotland is the lead collaborator, demonstrating strengthening links. The Scotland House Brussels team are actively facilitating Scottish stakeholders engagement on developing the proposed **€100bn** successor programme Horizon Europe, raising Scotland's profile as a committed EU partner and positioning Scotland to make the most of this future opportunity



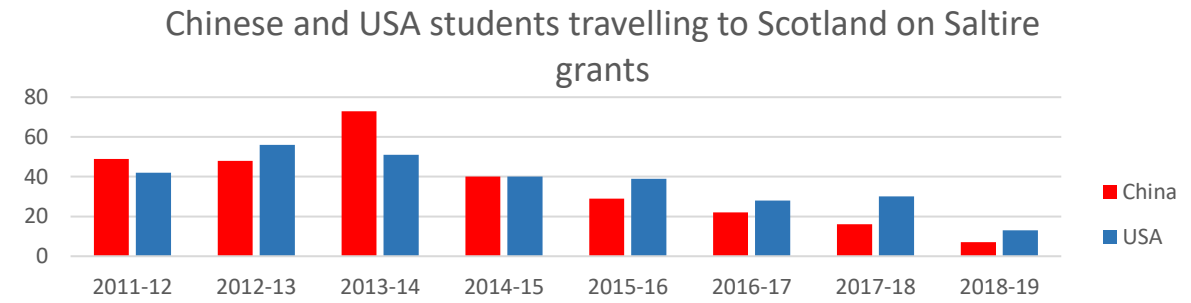
Context: Scottish business continues to draw strongly on international sources: the graphs illustrate the pattern of investments in both expenditure and employment on R&D performed within business in Scotland, including USA, rUK and Europe.



Office contributions to expanding R&I:  
**Dublin** – MOU signed with UCD and University of Edinburgh  
**London** – Hosted 7 University and Innovation Centre events  
**Washington** – Supporting the Global Women Innovation Network  
**Beijing** – 22 activities supporting Scottish HEIs to promote R&I strengths in China

In 2016/17, nearly 2,500 Scottish students travelled to EU countries on Erasmus+ to study or work. Over 1,800 of these mobilities were for study. Proportionately more students from Scotland take part in Erasmus than from any other country in the UK, and proportionately more EU students come to Scotland on Erasmus than any other country in the UK.

Scotland's Saltire Scholarships have been offered and promoted by the Scottish Government since 2009-10. Currently there are 50, one-year scholarships of £8,000 (each one a match-funding agreement between SG and the host university). The scholarships attract Masters and Postgraduate students to Scotland from China, India, Pakistan, USA, Canada (and Japan from 2019-20) studying in a field related to science; technology; creative industries; renewable and clean energy or healthcare and medical sciences

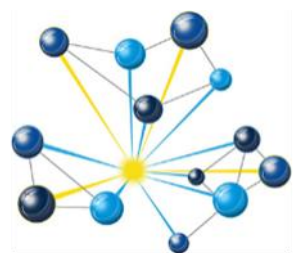




Context: In 2018-2019, in the midst of falling numbers of Foreign Direct Investment projects across the UK, Scotland saw a fall the total number of FDI projects by 19% to 94. However, Scotland is still perceived by potential investors as a key UK region in which to invest, a reputation the work of the offices, alongside SDI, is aiming to boost.

In a year where the SDI target for inward investment jobs was set at 7,000-8,000, Scotland saw figures rise to **10,074** total jobs, through:

✓ **2,070** new jobs    ✓ **4,615** existing expansion    ✓ **3,389** safeguarded jobs



**VANGUARD INITIATIVE**

Investment leveraged through Scotland's membership of the Vanguard Initiative via Scotland House Brussels has driven innovative collaboration across the EU. **€3.25m** in targeted collaborative projects was secured in 2018-19.

**Developing a range of collaborative approaches...**

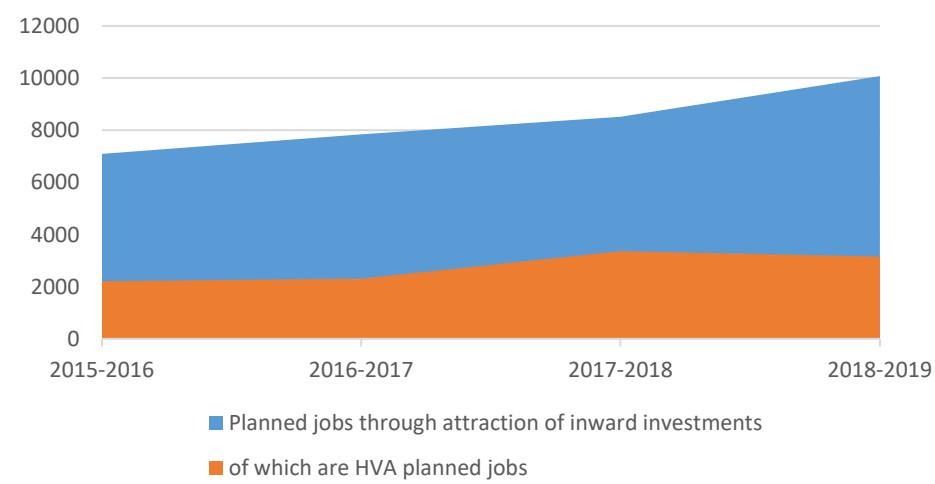
2018-19 saw the development of new models for the network offices to facilitate and encourage investment in Scotland. Four of the six network offices reporting have SDI staff embedded within the office team, while Washington and Beijing work closely with SDI teams in the same countries, and in this year developed new agreements and shared work plans with these colleagues.

**One third of SDI's Global inward investment jobs of global High Value Jobs are from UK- and Ireland-HQ'd businesses**

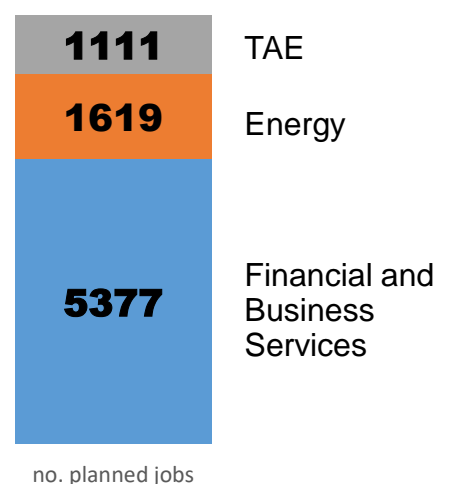
- the Dublin office supported 6 FDI wins and a total of 363 jobs in Scotland
- London's Scotland House engaged across a broad range of the UK-based investments in Scotland, including the new Barclays hub campus (set to generate 2500 jobs) and Lloyd's Banking Group's new digital Tech hub for Edinburgh (500 jobs).

Context: SDI annual reporting highlights the key areas of growth in investment to Scotland:

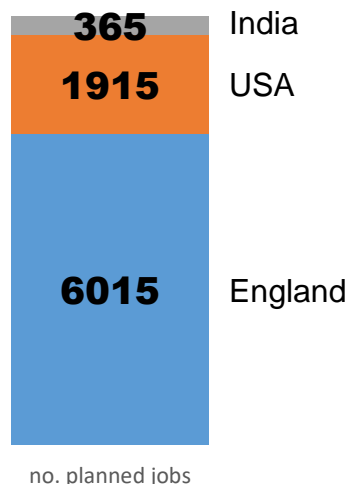
Inward investment creating new jobs



Three most prominent sectors for inward investment



The 3 main countries of origin – 2 in network locations



Scotland's interests

Scotland House London and Brussels provide premium meeting venues in the heart of the cities, and over the course of 2018-19 hosted a total of **12,396** visitors at events, with the best of Scottish produce, art and scenery showcased in the venues.

The Network offices deploy their remit to promote Scotland's interests through a range of Governmental relationships.

- In 2018-19, **Washington** focused on building Chicago and California connections, as well as with 86 Congressional representatives with an affinity to Scotland.
- The **Beijing** office held 22 meetings over the year between Scottish and Chinese local authorities, supporting the Glasgow City Council delegation at the UK-China Regional Leaders Summit, and a third of Scotland's local authorities are now engaged with Chinese partners.
- Recognising the importance of effective official-to-official engagement within the UK devolution framework, the **Dublin** hub collaborated with their Wales counterparts to deliver training devolution to UK embassy officials, improving understanding of the devolution settlement and driving better collaboration.

**Diaspora**

The network offices engage proactively with the Scottish diaspora in their locations – adapting activities and engagement to the local diaspora. The diaspora include businesses, institutions, alumni and individuals with a strong association with Scotland.

- **Beijing** hosted over **1000** attendees across 4 diaspora events, including **570** at their 2018 Alumni Ceilidhs
- **Germany** has established a Scottish alumni network

In 2018-19 the network offices promoted and disseminated key policy statements on a wide range of policies, but the year was distinctive in the demands placed upon the network by the unfolding Brexit negotiations between UK and EU.



The critical role of the Scotland House Brussels in promoting Scotland's position took full advantage of its existing networks with influential Brussels based institutions, think tanks and individuals. Promoting Scotland's visibility alongside its Brexit position was integral to the FM visit, 21 strategic events, 25 high-level meetings, 10 Ministerial visits and the many visitors to Scotland House over the year. Likewise, London's 91 diplomatic engagements and Berlin's 9 public speeches all combined to raise Scotland's profile internationally.



GlobalScot is a growing worldwide network of entrepreneurial and inspirational business leaders, dedicated to supporting Scotland's most ambitious companies. Currently numbering 665, in 2018/19, over half of new GlobalScot members were based in one of the six network countries (reporting in 2018-19)

**GlobalScot members across countries with SG offices, by sector**

Sector	Belgium	Canada	China	France	Germany	Ireland	London	USA
Aerospace, Defence and Marine	0	0	0	0	1	0	2	5
Chemical Sciences	0	0	0	0	1	0	2	3
Construction	0	0	0	0	1	0	1	2
Creative Industries	0	2	0	0	1	0	3	14
Energy - Oil & Gas/Thermal Generation & CCS	0	5	1	1	0	0	6	25
Financial & Business Services	1	7	1	0	2	0	26	41
Food and Drink	0	2	1	1	0	0	2	6
Further and Higher Education	0	1	0	0	0	0	1	3
Life Sciences	2	2	0	4	5	0	7	43
Technology & Engineering	0	3	1	1	1	1	7	42
Textiles	0	0	0	0	0	0	1	3
Tourism	0	0	2	1	0	0	0	4
<b>Total</b>	<b>3</b>	<b>22</b>	<b>6</b>	<b>8</b>	<b>12</b>	<b>1</b>	<b>58</b>	<b>191</b>