

**ENTERPRISE AND SKILLS IMPLEMENTATION BOARD MEETING
WEDNESDAY 28 June 2017 – 11:30-13:30
ST ANDREW'S HOUSE, EDINBURGH**

Item 1 – Welcome and Introductions

Prof Crerar welcomed members to the first meeting of the Implementation Board (IB), he thanked everyone for attending at such short notice. He noted apologies from Grahame Smith for the STUC and highlighted Martin Fairbairn as representing SFC, Carroll Buxton for HIE and Linda Hanna for SE.

Prof Crerar set out his role on the IB and outlined the agenda for the meeting.

Item 2 – Current Context

Keith Brown, Cabinet Secretary for Economy, Jobs and Fair Work thanked everyone for accepting his invitation to join the IB, he advised that he considered this stage to be a key milestone for the review of the enterprise and skills system in Scotland. Aligning our agencies to deliver joined up support was key to this review, and in the light of Brexit this was even more important due to the uncertainty created. Mr Brown reiterated his appreciation of the work already carried out and the level of engagement from all stakeholders which helped shape the Phase 2 Report and Project Reports.

Mr Brown confirmed that this IB would be a short term group created to lay the foundations for the Strategic Board (SB) which is expected to be established later this year. The IB will be tasked with establishing the functions of the SB, developing work streams and agreeing how it will operate.

The Phase 2 Report published on 22 June, set out a series of actions, including the creation of a South of Scotland Enterprise Agency, piloting a College Innovation Fund and a new five-stage skills planning model developed jointly by the skills agencies.

Mr Brown confirmed that Prof Crerar will chair IB but that Ministers will remain engaged, he stressed that now as there is an IB, he did not want to see any pausing or hesitancy by agencies to take decisions and move forward and that he expects hard alignment ethos to start with the IB.

Item 3 – Remit and Terms of Reference

Prof Crerar invited Simon Coote to talk through the draft Remit and Terms of Reference for the IB. Simon confirmed that the document was a draft being presented to the members for their comments with a view to finalising it.

There followed a discussion around the draft paper, in particular Bullet 3 - it was clarified that the remit of the IB recognised the aims of the SB and that in laying the foundations for this the IB will consider how best the SB can be equipped to hold the agencies to account, and consider which functions are specific to the agencies and which ones are collaborative.

Following discussion it was agreed that a list of key actions and tasks should be drawn up.

Further questions were raised around the proposed *Operational Framework*. It was proposed that an operational framework might set out the expected ways in which the agencies would work together to drive collaboration and alignment, such as: joint training, secondments, protocols and cross cutting priorities. IB was needed to help design this.

It was also discussed that *cross cutting priorities* might be areas like digital skills and stakeholder engagement and that it is for the IB to design and identify the relevant areas where this can be done.

A number of further points were discussed and clarified, these included:

- * The role of the agencies was set out in the Phase 2 Report, it is now for the IB to consider how to ensure collaboration to achieve and deliver on this.
- * The relationship between this review and the Business Growth Group (BGG) was raised and need to avoid duplication - it was confirmed that the BGG is chaired by the UKG, this has a different function but that there will be some overlap and with other relevant initiatives and therefore important that there is a read across.
- * All Ministers are supporting the Review and signed up to alignment of agencies, and to the Governance document, especially the creation of a Strategic Plan.
- * *Transparency* – existing boards ground their approach on the FOI principles, and what IB does in relation to transparency will set the tone for now and in future. SG will consider – decisions at least public on website, membership public – anticipate that papers would be FOIable.
- * It was agreed that the secretariat will aim to issue future papers for the Implementation Board one week in advance of the meetings, including proposals for consideration. There needs to be sufficient time for these to be developed and then for the board to consider (the holiday season could make this challenging but recognised that the Board needs time to consider them).

The need for a *Communications Strategy* was raised by members who felt that it may not be enough for each member to take messages to their own community. Regular comms from the board itself was suggested. Want as many as possible to own and contribute. Includes how to communicate with MSPs etc.

- * It was agreed that a core script would be drafted for members to consider

Action:

- * **SG to consider FOI and public accessibility point**
- * **Secretariat to prepare a list of key action and tasks to be taken forward.**
- * **Secretariat to draft a core script and consider a Communication Strategy**

Item 4 - Priorities and timelines

Dominic Munro invited the members to consider Paper 4 – Key Areas of Focus - discussion would be to consider what the key priorities are for the IB and to consider a timeline. There was a suggestion to set up short term working groups to look at the key areas, considering What Success Looks Like, with the intention of handing over drafted products to the Strategic Board.

Agreement was reached on the following:

Short Life Projects were proposed around:

- * **Outlining the Strategic Plan** - it was suggested that this project be led by Scottish Enterprise with support from other members of the Implementation Board.
- * **The Analytical unit and Performance Framework** - it was suggested that this project be led by Gary Gillespie with support from Donald MacRae, Stephen Boyle and other members of the Implementation Board with an interest in this area.
- * **Supporting Governance and Advice to the Strategic Board** – it was suggested that this project be led by Skills Development Scotland with support from other members of the Implementation Board.

Expectation that the agencies will participate in these short-life projects, but that need not be at CEO level. SG official support would be provided but other agencies to assist as appropriate. IB members can volunteer to take part.

Consideration was given to a draft timeline presented in hard copy to the board showing anticipated target milestones.

Discussion around the fact that the E&S Review has concluded and the work of its 9 project workstreams will continue but is now being implemented. Some of this activity should come to the IB for consideration E.g. the analytical unit and the South Of Scotland Enterprise Agency.

Discussion around a group of all agency CEOs working together to develop the new culture of collaboration. General agreement to this, related to the development of the Operation Framework. It was agreed that such a CEO group would usefully convene after the next IB meeting.

Short Life Project Group - Strategic Plan

The Strategic Plan (SP) needs to sit in a policy framework. The combined efforts of the agencies should pull in the policy direction.

Discussion around the Programme for Government (PFG) and that although one year programme it sets funding context so is relevant. While the SP may contain short term actions and needs to be aligned with the PFG, it will focus on delivering medium-to-long term aims.

Everything is connected to Economic Strategy. SB needs to focus on the things that can only be done by joint working. Has to be things that are owned around the table.

This short term project group will develop the outline and then work up a draft with oversight from the IB. However, the SB itself would need to finalise and take ownership of the SP. IB should establish this capability and not start being the SB. With regards to the SP, the IB will develop and outline.

Proposed that CEO of SE leads this short term project group and preparation of outline draft. Agreed this would be left with Dominic, Lena and Bob to consider what that looks like.

Short Life Project Group – Supporting Governance

Skills Development Scotland (SDS) volunteered to lead supporting Governances short life project.

There is a recommendation of Strategic Committees in paper provided. These committees are still being scoped and it would be expected that they would operate in an advisory capability, alongside other resources for advice.

It was agreed that the IB needs to think about the proposed committees. These came from productivity drivers. Consideration could be given to aligning the 9 workstreams to specific drivers. This may result in narrowing the workstreams down during the implementation programme.

There was a suggestion around a small reference group on IB acting as critical friend for SB to sense check. This is intended to be the role of the IB.

Action:

- * **Damian Yeates, SDS, will provide a date and anyone who wants to be part of that will be given opportunity**

Short Life Project Group - Analytical Unit and Performance Framework

The group were informed that this is considered to be a significant new cog, it is championed by Mr Brown, who has clarified that this will not replace current capability but will draw upon it. Evidence and advice across the whole system.

Externally also others to be involved – develop a common performance framework and ensure public accountability.

Gary Gillespie to lead and each of the agencies to contribute to it. Stephen Boyle and Donald MacRae to contribute – evaluation and performance framework.

SE offered to contribute to this. Issues to consider in taking this forward include the risk of unintended consequences affecting other parts of the system. All agencies need to continue to work.

It was agreed that Gary Gillespie to report to IB on progress being made at all future meetings.

There followed a discussion around the need for independence of reporting from the analytical Unit. It was clarified that the SG will have something in place soon.

Action:

- * **Secretariat to ensure an offer is made for anyone to get involved in any of the short term groups CEOs are leading. And once established, ensure offer made round table for involvement.**

South of Scotland Enterprise Agency (SOSEA)

Mary McAllan confirmed the establishment of the new Enterprise Body, and that this will require primary legislation. It was suggested that this project would be best led by the SG with input from others. Unusual for a new agency to be created, and help and input will be required from stakeholders. It is the intention to have a Bill with parliament in 2018 and a legal basis by 2020. However, ministers want to secure benefits as soon as possible and want interim arrangements and a funding model need to be in place. There is a need to develop governance arrangements for an interim body. Propose group, led by SG with others supporting, including some around table.

Local Authorities have expressed an interest in influencing what the interim arrangements look like. Plan is for partnership working to design effective interim arrangements. Local authorities will continue to be involved closely as they have been to date.

It was further clarified that this has been brought to the IB as Ministers want interim arrangement by autumn so need to think about it now.

The customers for this new agency will be business but not only business, there is a need to recognise the community and the need to drive inclusive growth, so this is about the wider economy and not just business. Local Authorities, business communities, economic partnerships and private sectors will bring value.

Engagement on this has been significant and will need to continue. The process of setting up the interim arrangements will be taken through a consultation. Ministers have recognised that models such as HIE and SE are relevant, however the input from the stakeholders from the consultation will inform decisions made.

It was agreed that a number of areas are still to be considered on how this will work within the SOSEA workstream including income generation and skills.

At SG lead officials will be Oonagh Gill and Karen Jackson with an interim Director anticipated.

Concluding Points

For those areas identified SG are looking for views that the short life project groups can pick up.

Action:

- * **Members to consider the questions at the end each section in the “Key Areas of Focus” paper.**
- * **CEOs from agencies to come together to drive the new culture of collaboration after next meeting of IB.**

**Secretariat
July 2017**