

SOUTH OF SCOTLAND ENTERPRISE AGENCY – INTERIM ECONOMIC PARTNERSHIP

PURPOSE

1. This paper seeks the Implementation Board's endorsement of the interim arrangements for the South of Scotland. It also sets out how the Board's concerns have been addressed and the next steps to establish the Economic Partnership.

BACKGROUND

2. At its meeting on 30 August, the Implementation Board endorsed the proposal that the interim arrangements in the South of Scotland should take the form of an economic partnership. The Board agreed that this was the option which could bring together key partners focused on making a difference. It was pragmatic and could be put in place quickly, well in advance of the statutory process to establish the agency, with organisations bringing their resources to the partnership to deliver agreed priorities. Getting underway immediately, means the partnership can effect change from the outset, trying new things in the best interest of the South of Scotland, while preparing the ground for the agency.

3. Whilst the Board endorsed the proposal, it was keen to see further work focussed on the following issues:

- clarity about the partnership's structure;
- the role of the private and third sectors;
- arrangements for the lead individual and an executive team to support activity;
- an initial memorandum of understanding to be drafted;
- consideration on sustainable communities work as part of the interim arrangements; and
- engagement with stakeholders .

ANNOUNCEMENTS SINCE THE LAST IMPLEMENTATION BOARD MEETING

4. Since the Implementation Board met, the Programme for Government was published on 5 September confirming legislation will be introduced to the Scottish Parliament in 2018 to establish the agency. On 13 September, the Cabinet Secretary for Economy, Jobs and Fair Work also confirmed that the interim South of Scotland Economic Partnership will be in place by the end of 2017¹. This followed a meeting with the South of Scotland Alliance which welcomed the approach and timeline.

DELIVERY TIMELINE

5. The actual launch date for the partnership is still to be confirmed. Ministers have emphasised the need to maintain momentum and expect the interim arrangements to be in place in full by the end of November and earlier if possible.

¹ <https://news.gov.scot/news/economic-support-for-south-scotland>

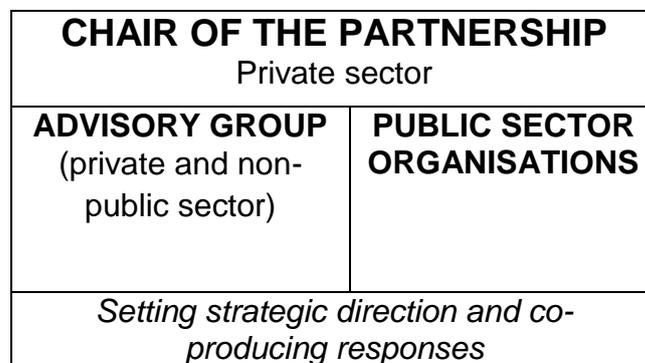
INTERIM ECONOMIC PARTNERSHIP – REFINED PROPOSALS

6. The Implementation Board’s comments have been addressed as follows.

Issue 1 – partnership structure

7. To ensure a fresh approach to economic development delivery in the South, Ministers want to ensure the private sector is deeply involved in the way services are shaped and delivered. The partnership will therefore bring together the key organisations already supporting economic development in the South of Scotland with an advisory group drawn from business and other non-public sector players to agree the Partnership’s strategic plan and help it deliver activities to support that plan. The partnership will want to ensure it is co-producing services, working with service users to design and deliver more effective support

8. The following diagram captures the structure:



9. The following public sector bodies will be invited to be members of the partnership: Scottish Enterprise; Highlands and Islands Enterprise; Skills Development Scotland; Scottish Funding Council; VisitScotland; Scottish Borders Council and Dumfries and Galloway Council. They will support the partnership with staff and resources.

Issue 2 – private sector

10. Ministers will appoint a private sector chair of the partnership, with knowledge of economic development in the South of Scotland and the challenges facing the area, bringing both seniority and credibility to the role. It is expected that the chair of the partnership will be a member of the Strategic Board.

11. Ministers will also appoint an advisory group, predominantly drawn from the private sector as well as those with experience of the Further and Higher Education sectors and of the third sector. The advisory group needs to have a mixture of skills and experiences to ensure the Partnership is effective in the interim shaping a new approach. Modelled on the process to establish the Strategic Board and adapted to the circumstances of the South of Scotland, the skills profile for the advisory group is set out at Annex A. Key will be knowledge of the challenges facing the area, recent experience of the enterprise and skills system and an ability to challenge the current approach. Ministers will assess candidates against the overall skills set to ensure that the group has a strong and appropriate mixture of skills.

12. Appointments to the advisory group will be time-limited to the interim period. Board appointments for the new agency will be covered by the public appointments process.

Issue 3 – lead individual and executive team

13. Good progress is being made to second a lead individual to the Scottish Government to co-ordinate the partnership during the interim period. This will be a time limited post with the lead individual accountable to the Scottish Government. The secondment will start with the establishment of the economic partnership. For the new agency, the chief executive appointment will be made in line with the approach taken to chief executive approaches more generally.

14. The Implementation Board agreed that the lead individual role would best be filled by a senior official familiar with both the public sector and enterprise and skills systems in the South of Scotland. Other approaches explored as part of the implementation phase, included: appointing a civil servant; seconding someone from the wider public service in Scotland; or open advertising to test the market.

15. The lead individual will be supported by an Executive Team and organisations have been asked to nominate members of the Team. Organisations will also be expected to support the delivery of the work programme with staff and with resources. Discussions to establish the input in each case are on-going.

16. The private sector will also be invited to consider what resources it can bring to deliver the priorities of the Partnership with, for example, scope to involve representatives of the business organisations in the Executive Team if there is an appetite to do so.

Issue 4 - Memorandum of Understanding

17. Partners will be invited to sign a Memorandum of Understanding setting out the high level aims and objectives of the partnership and underlining their commitment. An initial draft which is being discussed by partners is attached at Annex B.

Issue 5 – sustainable communities

18. The Memorandum of Understanding makes clear that the Partnership will take forward activities to sustain and grow communities. With HIE's membership, the Partnership will be able to learn from and tailor the approach taken in the Highlands and Islands to the circumstances of the South of Scotland, learning from successful approaches.

Issue 6 – stakeholder engagement

19. Continued stakeholder engagement will be vital if the partnership is to deliver successfully. The Memorandum of Understanding makes clear that engagement will be a core value of the partnership and the way it operates.

Conclusion

20. **The Implementation Board is invited to note how the issues raised at the last Implementation Board are being addressed, the progress being made and the go live date of November 2017.**

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SKILLS SET FOR THE ADVISORY GROUP

Chaired by an individual from the private sector, the advisory group will have skills in the following areas, informed by specific south of Scotland experience and knowledge:

- Knowledge of the South of Scotland business sectors and wider economy;
- Understanding of business development and business management;
- Recent experience of using the enterprise and skills support system;
- Knowledge of the Further and Higher Education system;
- Knowledge of activities to support and grow communities;
- Understanding of organisational change and alignment;
- Creativity to develop new approaches and apply existing approaches in different ways; and
- Willingness to challenge status quo and existing approach;

Advisory group members will be appointed as individuals bringing skills and experience to the group and not to represent particular sectors.

The size of the advisory group will depend on ensuring there is the right balance of skills. The current assumption is that a group of 10 would be appropriate.

Private sector individuals will be appointed drawing from economic sectors key to the South of Scotland economy, including: food; forestry; farming; fishing; tourism; textile; energy and construction sectors. They will have had experience of starting up and growing a business.

They will bring experience of different business sizes at different stages of development ensuring a diversity of approach and background.

The partnership will need to engage with wider stakeholders to ensure that it benefits from wider skills to ensure the best outcome for the south of Scotland and that stakeholders influence the work of the partnership.

SOUTH OF SCOTLAND ECONOMIC PARTNERSHIP – MEMORANDUM OF UNDERSTANDING

Purpose of Agreement

The South of Scotland Economic Partnership (the Partnership) has been established to respond to the economic needs and opportunities of the South of Scotland in advance of the statutory South of Scotland Enterprise Agency. This agreement sets out the high level principles which will govern the partnership's activities.

Aim and objectives

With a clear strategic vision, the Partnership will take forward a range of activities that drive forward the economy, sustain and grow communities and capitalise on people and resources. The Partnership will promote fair work and inclusive growth with a clear focus on the South of Scotland, preparing the way for the new South of Scotland Enterprise Agency and ensuring the area benefits from a new approach in advance of the statutory body being constituted.

The Partnership will:

- Have a clear understanding of the assets and constraints facing the economy of the South of Scotland;
- Map current activity and set out what needs to be put in place in the future to support growth and to inform the work of the new agency;
- Identify and respond to gaps in provision and try new approaches tailored to the needs of the South of Scotland;
- Support change and drive alignment across partners and the private sector to ensure that the South of Scotland gets maximum benefit from support and investment;
- Bring together economic and community support to support sustainable communities;
- Deliver a clear and agreed interim economic outcomes plan, informed by evidence, to deliver inclusive and sustainable growth and fair work in the South of Scotland; and
- Define key performance indicators aligned to the economic outcomes plan;

Members of the Partnership

The partnership will be chaired by [private sector name] with an advisory group of [10] individuals drawn from the private, higher and further education and third sectors, giving direction to the Partnership's work and co-producing its activities.

The following organisations will be members of the partnership:

- Scottish Borders Council
- Dumfries and Galloway Council
- Scottish Enterprise

- Highlands and Islands Enterprise
- Visit Scotland
- Skills Development Scotland
- Scottish Funding Council

The actions agreed by the partnership will be managed and implemented by a lead individual name seconded to the Scottish Government and accountable to it. The lead individual will be supported by an executive team with a nominated representative from each organisation. Committed to joint working, each organisation will be expected to contribute resources to the successful delivery of the Partnership's aims. This will include contributing to a team of people delivering the programme of work, with individuals being required to work flexibly responding to the demands.

Ways of working

- The Partnership will:
 - have a clear and prioritised programme of work identifying the activities it will take forward during the interim period; and the resources that will be dedicated to this;
 - engage with stakeholders across the South of Scotland, including businesses and those in the education and community sectors to ensure its work is informed by and responds to their views;
 - provide regular communication on its activities and its progress to all relevant organisations and stakeholders;
 - be committed to delivering the best outcome for the South of Scotland in everything it does and in all its actions; and
 - Report on progress to the Strategic Board through the Partnership's Interim Chair

Geographic area of operation

The Partnership will operate in Scottish Borders and Dumfries and Galloway Council areas. It will want to establish effective working relationships beyond its boundary, as appropriate and through working with neighbouring authorities ensure the optimal delivery of projects to benefit the South of Scotland.

Timescale

The Partnership will run until the new South of Scotland Enterprise Agency is established.