

## **Note of Strategic Board Meeting – Wednesday 23 August 2018**

### **Item 1. Welcome, apologies and introductions**

The Chair introduced the meeting by:

- Advising that apologies had been received from Lorne Crerar, Bob Keiller, Karen Betts and Sara Carter;
- Welcoming Patricia Findlay, Professor of Work and Employment Relations at Strathclyde University, and Stuart King, who was there from the Analytical Unit on behalf Stephen Boyle, and;
- Explaining that the Board would also be joined by Jane Martin of SE and Sandra Dunbar of HIE for agenda item 4.

There were no issues raised as conflicts of interest.

### **Item 2. Minutes of Last Meeting and Matters Arising**

There were no matters arising. The Board agreed the minutes were read and accepted.

### **Item 3. Chair's Update**

The Chair summarised some engagements she had undertaken since the last meeting including a positive meeting with Derek MacKay, Cabinet Secretary for Finance, Economy and Fair Work. A key theme from this was the need to engage business and drive coherent cross-agency action that works for business.

The Board noted that it would like to meet in business premises sometimes.

The Chair also updated the Board on progress with the South of Scotland Economic Partnership. SOSEP had made its first allocations of funds and were now looking at budget for next three years. SOSEP will be based in various offices around the area.

- Action 1: Secretariat to consider business premises for some future meetings.

### **Item 4. Fair Work Convention**

Patricia Findlay presented to the Board setting out the principles of fair work and the reasons for its importance.

Employers and business are the key actors in this space but the SG, stakeholders and the Board have an important role in how fair work is supported.

The system, e.g. business support, is not set up to support fair work. The value of adopting fair work is recognised and accepted but not mainstreamed – e.g. are account managers trained and supported to promote it?

To better engage businesses it was necessary to recognise that they listen to and compete with their peers, so in this context how can the debate take place in a space where businesses will engage?

#### **Item 5. The customer experience: User Journey Update**

The Chair emphasised that the user is at the heart of what the Board and the agencies are doing and so this project was of crucial importance. The Chair was keen to understand where the Board can bring value to the project and bring attention to areas where there are particular challenges.

Jane Martin of SE and Sandra Dunbar of HIE, who are leading this project, presented on progress of the project, its challenges and the opportunities it can support.

Governance of the project has shifted from SG to the agencies themselves and a senior level governance group has been developed. There is now a partnership and MOU with SG Digital Directorate.

It was emphasised that this is a business improvement programme rather than just a digital improvement programme. It was seeking to drive a common environment and experience across the system, and sees the digital improvement as a transformational opportunity.

The system needs to align across local/regional/chambers/national/international trade partnerships. The challenge is how to align them all. The project would start with the core services. Other related initiatives and services should be brought in to the fold in future. A suggestion was made around using accreditation for parts of the system to join the main architecture.

The point was raised that Ministers should to be sighted on progress – this project is supporting an aspiration from the E&S Review – other initiatives, e.g. Scotland is Now, should be complementary and not create competing complexity. The Board needs to give the signal to SG that this project is the answer to the one door approach.

There is currently a parliamentary committee inquiry looking at Business Gateway (BG) – the findings of this should inform the project. There was a request that the Board supports the project around the BG aspect. A proposition was being prepared which the Board could help to take to local government. COSLA and SOLACE are on board.

The introduction of a single Business ID was discussed – the biggest problem is that where funding is involved the business needs to be securely authenticated. The HMRC system was an example.

The Board stressed the importance of progressing the project and at the same time encouraging it to call out where the issues occur. Regarding accelerating progress towards the single digital entry point, the project will work with a minimum viable service approach to test an emerging system. Board Members would have an opportunity to attend a workshop being set up to test ideas.

### **Item 6. Missions Review**

The Chair recognised the work that had gone into the missions over the summer. There was good insight and data there but the Chair emphasised two key points:

1. Reports were good but not strategic enough – there was too much operational focus. They should focus more on powerful, overarching, cross-agency work.
2. There are common threads across the four missions that need particular attention.

The Chair Tasked CEOs to look at aligned, transformational activity focussing on things that will make an impact.

The reports flagged further work required (from AU and elsewhere) in places – this work should continue.

### **Mission: Business Models and Workplace Innovation**

Scott McLarty presented the draft report and the Board discussed the mission. Points raised included:

- Innovative business models involves leadership and management capability but also HR practices, technological and workplace innovation, people practices and culture.
- Consideration should be given to promoting skills planning and utilisation across business.
- None of the agencies have fully mobilised behind the policy intent so this is a good opportunity for the Board. Once a strategic narrative has been developed the agencies can align their assets behind it.
- Business leaders need to be aligned behind it too. Business don't know where to go to get the insight and need to be persuaded of the benefits.
- Consider how best to mainstream the concepts. There is a need to understand what the policy levers are, e.g. procurement – a movement for change will need some strong signals.
- The mission should consider what more can be done on the fair work agenda.
- It was recognised that data is hard to find in this space – consider what more can be done to improve data and analysis to inform the debate.
- Consideration should be given to national, regional and local service offers.

### **Mission: Business Creation and Growth**

Gerry McCusker presented the draft report and the Board discussed the mission. Points raised included:

- There is a real challenge around common measures in this space.

- Consider how to promote a business creation / entrepreneurship culture across more of Scotland.
- The Board discussed the promotion of entrepreneurship in schools, e.g. using role models in schools.
- Consideration was given to the role of Business Gateway – it currently works across start-ups, scaling and exporting. Should BG role focus on start-ups? There is a need to review structure of business start-up support.
- Suggestion that SNIB could focus on business that are in the £5-£10m area to get them “over the hump”, and on businesses that have potential to acquire.
- Work required to look at where the maximum bang for buck is. If there is a need to prioritise then what is the minimum offer for companies?
- The Analytical unit should look further into where the support should be focussed – which part of the scale up “funnel” to concentrate on.
- Regional aspects and economic goals we also raised as an important consideration.

### **Mission: Future Skills**

Audrey Cumberland presented the draft report and the Board discussed the mission. Points raised included:

- There are some identified key areas where there are skills shortages. Many of these are also known future skills shortages.
- The advantages of both demand-based approaches and a planned approach were discussed.
- Flexibility and finding the right balance between work-based vs traditional learning pathways was discussed. The approach used needs to be evidence-based.
- In countries with better productivity industry is more closely engaged with the skills agenda.
- One key issue is to address the lack of investment in provision of skills for people to transition and upskill. In the absence of tuition fees how can more support for personal development and training for 25-75 year olds be unlocked?
- There was a question over the apprenticeship levy whether or not there is an opportunity to do something more imaginative in Scotland.
- There is a need to reconcile widening access with shortening the learner journey. Extending matriculation from college into years 2 and 3 of degree courses was supported.
- Some agreed areas of focus were meta skills, digital literacy and identifying occupations most at risk from disruption.
- Skills underutilisation, understanding future skills needs and reskilling and upskilling were key areas to be addressed.

### **Mission: Exporting**

Liz Cameron presented the draft report and the Board discussed the mission. Points raised included:

- The mission could not always get the data that was needed. There was a need for more efficient data gathering.

- SG ministerial portfolios need to align around the internationalisation agenda to integrate the approach.
  - Infrastructure is an important factor – e.g. direct international air links.
  - Current metrics don't measure the impact of soft power, e.g. joint research calls with China – can the AU help with that?
  - Leveraging UK Gov resource was discussed. FCO have assets and a whole machinery in place to support exporting.
  - There was a question around sustainability – is there anything the missions can do in this space?
  - The implications of a no deal Brexit scenario (or a deal scenario) need to be understood. There should be presentation at a future meeting on the issue.
  - The importance of the HE sector was discussed, and its impact on innovation - increasing companies' involvement in innovation (links to Scotland CAN DO etc.)
  - The mission needed to understand what the targets should be - SG/AU should articulate what the targets that already exist are.
- Action 2: There should be presentation on work underway in preparation for Brexit.
  - Action 3: CEOs to get together in and offer the Board a proposition for each mission for the next Board meeting.

#### **Item 7. Development of the Performance Framework**

Stuart King from the Analytical Unit introduced the paper providing a view on how the Performance Framework should be set out.

The Board was not in a position yet to have an ideal framework as more work was required, so the current proposal reflects the need for something now.

There was a request that inclusive growth should be highlighted in the narrative and that there should be something in there on place/regional aspects.

There was a further request that the framework recognises that return on investment is not always monetary.

The Board also discussed the need to make the framework compatible with other key performance frameworks especially the National Performance Framework.

The relationship between these measures and the current agency measures was also discussed. There was a need for measurements across the agencies that all understand.

- Action 4 – An updated version of the performance framework should be presented at the September meeting.

#### **Item 8. Development of the Strategic Plan**

Stuart King from the Analytical Unit introduced the paper, which provided a view from the Analytical Unit on how the Strategic Plan should be set out.

The Plan is currently a work in progress and awaits further development, including following the meeting of the agency CEOs. It will follow a strategic narrative and will not just be focussed on the four missions.

The Board agreed that the plan should articulate elements that were out of scope. Business Gateway was discussed, as an example of something important which the Board could not directly affect, but where it could make recommendations to Ministers.

### **Item 9. Missions Stakeholder Engagement**

The Board discussed its approach to stakeholder engagement around the missions and emerging plan.

The point was made that the work of the missions builds on the Enterprise and Skills Review and the comprehensive engagement undertaken during that process. The missions brought in key stakeholders and expertise as they developed their reports and the Chair and members have engaged significantly since the Board commenced.

The Board was keen to keep key stakeholders informed of recommendations emerging for the Strategic Plan and agreed that the Secretariat should use the stakeholder list it had developed to inform a proposal for further engagement.

- Action - Secretariat to break down the stakeholders list and inform a proposal for the best way to approach further engagement required.

### **Item 10. Impact of the Strategic Plan: Programme for Government, SG October guidance to Agencies and the Economic Action Plan**

This agenda item would be brought back to the September Board meeting

### **Item 11. Culture and collaboration – Update from CEO Group.**

This agenda item would be brought back to the September Board meeting

### **Item 12. AOB**

There was no further business.

The Chair thanked members for their input and closed the meeting.