

## Meeting Note - Strategic Board 10 December 2020 – Webex meeting

### Attendees:-

**Members** Nora Senior (Chair), Scott McLarty (Vice Chair), Caroline Barelle, Liz Cameron, Mike Cantlay, Simon Cotton, Alistair Dodds, Melinda Matthews-Clarkson, Alison Milne, Frank Mitchell, Gillian Murray, Grahame Smith, Steven Heddle, Poonam Gupta, Russell Griggs, Lord Smith of Kelvin, Minister for Trade, Investment & Innovation.

**Other Attendees:-** Stuart King (AU), Richard Murray (AU/Sec), Julie Wilson (Sec), Damien Yeats (SDS), Lorna Gibbs (SG), David Wilson (SG), Adam Reid (SG), Linda Hanna (SE), Karen Watt (SFC), Natalie Stevenson (Sec), Stephen Boyle, Charlotte Wright (HIE), Lord Smith of Kelvin (SE), Linda Murray (SE), Gordon McGuinness (SDS), Mark Graham (AU)

**Apologies:-** Gary Gillespie (SG), Mary McAllan (SG), Kevin Quinlan (SG), Sara Carter, Nick Halfhide (SoSE), Liz Ditchburn (SG), Audrey Cumberland, Keith Winter

### Welcome and minutes from the Previous Meeting

The Chair welcomed everyone to the meeting and she then introduced the following attendees who would be supporting particular agenda items during the meeting.

- **Adam Reid** (Deputy Director for Skills) who attended the skills alignment session.
- **Gordon McGuinness** (SDS lead for the Business Models & Workplace Innovation Mission) who attended the review of the missions item.
- **Mark Graham** (Analytical Unit) who lead the innovation item.
- **Ivan McKee** (Minister for Trade, Investment & Innovation) who attended the innovation item)

The Board agreed the previous minutes with a request for any comments to be made via correspondence to the Secretariat PMO mailbox.

There were no conflicts of interest.

Actions – The action points from the previous meeting were discussed & an update on progress is below:

Action	Description	Lead(s)	Update
ESSB November 20 (01)	SG, SDS & SFC to pull together a routemap clearly outlining the next 12 months priorities on skills alignment.	Frank Mitchell (SDS), Damien Yeates (SDS), Mike Cantlay (SFC), Karen Watt (SFC), David Wilson (SG), Lorna Gibb (SG)	Paper circulated day before the meeting.  12 Month routemap to be presented to the strategy day (27 Jan).

ESSB November 20 (02)	Secretariat to share 1 page document collating SG's strategic approach to recovery (update to be presented to Minister's shortly).	Secretariat	To be finalised.
ESSB November 20 (03)	Secretariat to share SG Skills Dashboard.	Secretariat	To be finalised.
ESSB November 20 (04)	Secretariat to clearly outline expected outputs for mission review workshops. This should include targets, timeline and outputs – as well as set questions to frame discussions. Feed information back to the board.	Secretariat	Completed.
ESSB November 20 (05)	Board members wishing to volunteer for the board improvement plan to get in touch with secretariat PMO mailbox.	Board members	Completed.

### Item 1a – Introduction from the Chair

The Chair thanked members for their commitment to taking forward the priorities of the board over the past year, particularly in the reactive work on economic response to the pandemic. She highlighted the priorities since the last board including the board improvement plan, the January Strategy Day working group and the ongoing work to refresh the missions.

She updated the board that the focus in 2021 will be a refresh of 2018 Strategic Plan to reflect on the current priorities within the Government Agencies, taking on board the impact of the COVID pandemic and Brexit and setting the strategic direction for the next few years (for publication in Autumn 2021). The Board will consider this further at the Strategy Day in January.

As part of the Board Improvement work, the Chair set the aspiration for papers to be received 1 week in advance of the next Board meeting. Failure to meet this deadline may result in the item being removed from the agenda and she encouraged contributors to work with the secretariat on this matter.

On reflection of the past year, she encouraged further collaboration across the agencies in order to de-clutter the landscape and support businesses and learners through the aftermath of the pandemic. She thanked the Government and Agency leads for their commitment and alignment to supporting the enterprise and skills agenda.

**Item 1b – Verbal update on the SFC Review  
Karen Watt (SFC)**

Karen provided the regular update on the progress of the SFC review. She thanked members who attended the SFC follow up session led by James Dunphy, Director of Access, Learning and Outcomes, and Claire McPherson, Deputy Director of Policy, Insight and Analytics. She highlighted that there would be an update to the review in February and to the work would conclude in May 2021.

Nora updated the board on her recent meeting with the Food & Drink ILG and feedback to Karen that the Industry Leadership Groups were keen to engage with both SFC & SDS on the review findings to create a whole system approach.

**Action ESSB December 20 (01) – Secretariat to share ILG contact details with SFC & SDS.**

**Item 1c – Update on the Business Support Partnership portal  
Linda Hanna (SE)**

Linda updated the board on the collaborative agency approach to the Find Business Support Partnership. This approach aims to de-clutter a complicated landscape and create a user-friendly environment where businesses quickly source information on business support. Linda will look to provide a deeper update at a future board.

Challenges were highlighted around the navigation of the portal due to the wide range of support available on the portal but improvements were being made to the 'user experience', including customers being led directly to business support information on COVID or Brexit. This approach was aided/streamlined due to the excellent cross-agency partnerships developed during the immediate economic response to COVID.

The discussion was opened up to members. Members asked about the tracking of customer feedback on the portal and the streamlining of wider services. Linda responded that they gathered feedback from employers and would look to update the board further on the streamlining of services at a future board. Linda added that they are currently confirming the right platform to host the services and will inform the board. She highlighted the challenge going forward would be around funding resource and technical ability. The Chair suggested there might be a way to collectively resolve funding issues across the portal partners.

Members asked why SFC were not an involved partner. Karen Watt (SFC) responded that they are involved in terms of institutions like interface but could do more to make the right connections. Members then asked about SE's strategic direction under Linda's new leadership, particularly around regional place based focus, opportunity management, grant suspension. Linda responded that SE's focus remains unchanged and is set out in the strategic framework to support the economy on future skills and jobs. Lord Smith added there are pressures on SE, including delivery of the range of support to businesses and assisting in the bedding in of the Scottish National Investment Bank.

**Action ESSB December 20 (02) - SE to provide an update for the Board's strategy day on how SE have modernised and made available support to businesses using digital channels.**

**Item 2 – Update on the Review of the Missions  
Julie Wilson (Secretariat)**

Julie updated the board on the current progress of the missions. The Exporting Mission (17th Nov) and Business Models & Workplace Innovation Mission (1st Dec) workshops have been held and the Future Skills Mission (16th Dec) and Business Creation and Growth Mission (tbc) were still to take place. The review aims to assess which actions stemming from the Board's Strategic Plan were still a priority in light of the new challenges posed by Covid/Brexit and will feed into the refresh of the Board's Strategic Plan in 2021.

Exporting board member leads commented that there were positives in the export mission in terms of the Inward Investment Plan, Trading Nation, Dashboard for the Minister but that it was difficult in the workshop to shed light on volumes of activity, impact, performance. A further meeting will be arranged to understand outputs of the last discussion and create clarity on what the exporting mission is trying to achieve.

**Action ESSB December 20 (03) - Secretariat to facilitate a further discussion on the Exports mission.**

The Chair informed members on the purpose of the review to inform the Board's Strategy Day on the future priorities of the board which will feed into the 2021 refresh of the Strategic Plan. To do this it is vital that the Board has evidence on the impact the current missions are having and this, together with the annual analysis, will inform where the focus of the board needs to be. She stressed that she was keen to hear around areas including impact, alignment and savings which would inform any new priorities.

The Chair invited views from Poonam Gupta on the international trading environment and Mike Cantlay on the impact to EU students. Poonam updated that the Government focus was more inward looking which left businesses feeling unsupported. She said that the furlough scheme had helped but with a large number of employees this was difficult. Mike said that at the start of the pandemic the scale of losing foreign students was a worry but it hadn't been impacted as badly as predicted.

Business Models and Workplace Innovation board member leads commented that there had been good progress overall but there was a need to re-energise the focus of the mission. The mission is owned by SDS (heavily supported by SE), but members highlighted the need for cross-agency collaboration to drive forward the mission. However, it was recognised that resource allocation in light of the current pandemic was challenging. It was also felt that the missions work had no influence on agency priorities and wasn't properly resourced to meet the ambitions of the

mission. There was an ask to better understand the impact of current agency interventions and where resource was deployed across the lead mission agencies.

**Action ESSB December 20 (04) – BMWI leads to work with the Analytical Unit to provide evidence of the current impact from the missions and resource deployed to focus on economic growth/productivity.**

Gordon McGuiness (SDS) highlighted challenges around workload but stated the mission was a pathfinder to Find Business Support (SE) and laid the foundations to inter agency activity to design common services.. He highlighted that Patricia Finlay's paper sets out the focus for the mission but that it has not made the impact yet as will take time – an evaluation will be put in place. He stated that leadership action is lacking and needs the appropriate tools to drive this forward. SDS are working with SG on the AGER centre for workplace transformation. The Chair asked for leads in this mission to work with the Analytical Unit to provide evidence to help drive economic growth/productivity. At the strategy day session this should cover consideration of evaluation evidence from the missions – what are the priorities, targets, measurement framework, timescales.

The Chair then asked the agency Chairs how embedded the missions were in each agency. The general consensus was that going forward budget constraints would mean tough decisions would need to be made on priorities and resource. It was also felt that there needed to be greater clarity on priorities from Government and that a lot of the actions that stemmed from the missions were now part of business as usual. The Chair asked for a break-out session at the strategy day to look at measurement and ensure a whole system view on priorities and funding. Frank Mitchell asked for a fluid agency approach to address resource and an honest discussion on whether actions can be delivered. Linda Hanna agreed that sequence and leadership were important to maximise input and added there was an opportunity to capitalise on digital as a cost effective measure.

In drawing the discussion to a close, Richard Murray reiterated that the intention was to carry out a proportionate review of the missions to identify gaps and areas of work that can be prioritised/deprioritised. This, alongside evidence from the agencies on the impact of the missions, will support the Board's discussion at the Strategy Day on the refresh of the Strategic Plan. The Chair added that the members should help scope out the item at the strategy day and for a meeting to be arranged with the Chairs in the New Year to discuss further.

**Action ESSB December 20 (05) – Secretariat to work with the sub group of the Board to help shape the discussion at the Strategy Day on the refresh of the Strategic Plan, ensuring evidence from the agencies articulating the priorities, targets, measurements, and timescales for the missions.**

**Action ESSB December 20 (06) – Meeting to take place with the Chairs of the board at the start of the New Year.**

**Update on ESSB Survey Results  
Julie Wilson (Secretariat)**

This item was deferred to a future meeting.

**Innovation  
Mark Graham (Analytical Unit)**

The Chair welcomed Ivan McKee, Minister for Trade, Investment and Innovation to the innovation session. .

Mark Graham from the Analytical Unit reported on the findings, and recommendations of Stage 2 of the Innovation, Monitoring and Evaluation Project. The analytical unit reported to the Board in December 2019 and are now looking to identify gaps and set out a series of future steps to enhance the monitoring and evaluation of innovation spend. He outlined that there were 5 elements: Knowledge Creation, Innovation Capacity, Knowledge Flows & Diffusion, Innovation Development and Application & Exploitation. To which there would be a 3 fold approach development of the 'idea', review of current practice and recommendations and reporting. The EKOS report concluded that data can't be captured in a consistent way. The Analytical Unit and participating agencies broadly agreed the next steps (stage 3): Establish a working group with agencies and relevant partners (including universities) to agree - additional/more detailed measures, best practice with regard to data collection and long term tracking, a common template for annual reporting, explore options for management and governance, explore the possibility of using HMRC and/or Scottish Government data for data matching to assist evaluations and identify suitable programmes or activities to pilot the agreed approaches.

Mr McKee thanked Mark for his review. He added that the innovation landscape is cluttered and he was keen to have fewer, more effective initiatives. Therefore this work needs to be undertaken in parallel with the work underway to declutter the innovation funding landscape. There are lessons that can be learnt from other countries such as Norway where every 5-10 years they rationalise the number of different innovation funds.

Members commented that the research needs to be clear on the purpose and measurement framework. Views were welcomed on a consistent measurement and demonstration for a business lead or proven industry demand. The board also asked about prioritisation of innovation assets, the importance of tying demand to need and what the approach is to risk. Members also commented that the research touches on a fraction of the innovation landscape. The Secretariat clarified that the study focused on 87% of the innovation funding delivered by the enterprise and skills agencies. Another member commented that SFC was fundamental to drive forward innovation research coming out of universities. Charlotte Wright said HIE do not usually receive direct requests from businesses for innovation support, but intend to wrap this up with the broader support for businesses. However the key challenge is levelling up the innovation eco-system for rural areas.

In terms of measurement, the Chair highlighted the importance of focusing on not only financial alignment but wellbeing. There was broad agreement that the next stage of the Analytical Unit's work on innovation should separate out consistent measurement framework for innovation support schemes and consistent criteria for awarding of Research Excellence Grants SFC is currently engaging with UKRI on its work to develop a set of metrics to better capture the impact of research spend. Karen Watt to share contact details with Analytical Unit. The Chair asked the agencies what they are specifically doing to simplify/de-clutter and evaluate impact/connectivity to business need.

It was agreed that the next phase of the Innovation project should focus on measurement of innovation support; consistent criteria for allocation of research funding against national priorities and the development of measurement of impact of research spend (alongside UKRI) Recommendations around decluttering should also be included

Richard Murray added there was work ongoing to review innovation landscape which had slipped slightly due to recovery number of factors. Mr McKee concluded by saying there had been good discussion and progress and he would ask policy colleagues to share mapping work.

**Action ESSB December 20 (07) – Analytical Unit to draft the scope for Phase 3 and circulate to the Board**

**Action ESSB December 20 (08) – Innovation SG policy colleagues to share mapping work with the board.**

**Action ESSB December (09) – SFC share details with the Analytical Unit and the Board on work with UKRI to develop new metrics for measuring the impact of the Research Excellence Grant.**

**Action ESSB December (10) – The work being taken forward by the Analytical Unit on reviewing the innovation funding landscape will be discussed by the Board in the new year.**

**Skills Alignment Follow up session  
David Wilson (SG)**

David Wilson apologised to the board for the late submission of the paper and recognised the impact of this on the board's ability to fully prepare for the session. He advised this was a Scottish Government paper to build on the discussion from the board meeting on the 5<sup>th</sup> November but was not yet a full implementation plan for the next 12 months. This would be a priority to be developed by the end of January, clearly stating the Government's expectations for delivery. He highlighted a Ministerial meeting taking place on the 15<sup>th</sup> December with the Deputy First Minister, Mr Lochhead, policy colleagues, SFC & SDS – as well as a willingness to work with the board to create greater alignment to the skills agenda. The paper outlines recommendations for the establishment of a skills alignment assurance group.

**Action ESSB December 20 (11) – Skills alignment leads to finalise implementation plan of the next 12 months (by end of January 2021).**

There was an ask from members to be clear on the direction of travel: skills needed for the economy, degree of alignment, end goal. As well as clarity on what change this work for looking for and specifically on meeting local economic need. Gillian Murray highlighted that Herriot Watt University was pioneering Graduate Apprenticeships and as a provider she was fully cognisant of funding issues. Mike Cantlay added that a the loss of EU funding next financial year is the main issue and the challenge of finding this shortfall within SFC's core budget.

Frank Mitchell said there was direct Ministerial engagement in this area. He highlighted that sectoral need was a priority and there were a number of employer skills shortages to address. He was supportive of an assurance group but suggested that an independent Chair from an economic background lead the discussions. He said they were behind timescales and lot of work needing to be addressed quickly.

It was raised that a January timetable would be difficult to deliver FA/GA targets for 2021/22 and the role of the Scottish Apprenticeship Advisory Board (SAAB). With agreement that any new approval role would need to be industry led. Business members highlighted frustrations on new initiatives like the Young Person's Guarantee and KickStart being slow moving and the KickStart programme needing to be executed.

Karen Watt said a review of an integrated skills/education system was an important part of skills alignment. She highlighted that funding pressures next year would be extreme and the Deputy First Minister's announcements on SQA awards would have an impact on placements.

David Wilson welcomed the views of the Board and advised that further work would be carried out to align to the future skills mission. The Chair welcomed the paper and urged SG/SDS/SFC to reach swift agreement on the allocation of FA/GA funding. The consensus of the Board showed support for the proposal for a skills alignment assurance group. The Chair suggested further discussion with SG Directors to agree the structure/membership of the group and reiterated the need for a clear routemap and timetable for skills alignment implementation. This should be agree by end January.

**Action ESSB December 20 (12) – Chair to have a further discussion with David Wilson on the skills alignment assurance group.**

**AOB**

Frank Mitchell informed the group that under the Young Person's Guarantee there would be a review of the careers service and Grahame Smith had agreed to Chair the group that would take this forward. There will be a report late summer 2021 and an update will be given on this work at a future board.

**Action ESSB December 20 (13) – Update on the Career Service review at future Board.**

# ENTERPRISE & SKILLS STRATEGIC BOARD

Action	Description	Lead(s)	Deadline
ESSB December 20 (01)	Secretariat to share ILG contact details with SFC & SDS.	Secretariat	ASAP
ESSB December 20 (02)	SE to provide an update for the Board's strategy day on how SE have modernised and made available support to businesses using digital channels.	Linda Hanna	Routine
ESSB December 20 (03)	Secretariat to facilitate a further discussion on the Exports mission.	Secretariat	Routine
ESSB December 20 (04)	BMW I leads to work with the Analytical Unit to provide evidence of the current impact from the missions and resource deployed to focus on economic growth/productivity.	Gordon McGuinness (SDS), Clare Adamson (SE) & SG Analytical Team	Ongoing
ESSB December 20 (05)	Secretariat to work with the sub group of the Board to help shape the discussion at the Strategy Day on the refresh of the Strategic Plan, ensuring evidence from the agencies articulating the priorities, targets, measurements, and timescales for the missions.	Strategy Day Working Group & Secretariat	In advance of Strategy Day (27 Jan 2021)
ESSB December 20 (06)	Meeting to take place with the Chairs of the board at the start of the New Year.	Secretariat to arrange	Completed
ESSB December 20 (07)	Analytical Unit to draft the scope for Phase 3 and circulate to the Board	Analytical Unit	Ongoing
ESSB December 20 (08)	Innovation SG policy colleagues to share mapping work with the board.	Innovation Policy Leads	Ongoing
ESSB December 20 (09)	SFC share details with the Analytical Unit and the Board on work with	SFC & Analytical Unit	Ongoing

# ENTERPRISE & SKILLS STRATEGIC BOARD

	<b>UKRI to develop new metrics for measuring the impact of the Research Excellence Grant.</b>		
<b>ESSB December 20 (10)</b>	<b>The work being taken forward by the Analytical Unit on reviewing the innovation funding landscape will be discussed by the Board in the new year.</b>	<b>Analytical Unit</b>	<b>Future Board Meeting</b>
<b>ESSB December 20 (11)</b>	<b>Skills alignment leads to finalise implementation plan of the next 12 months (by end of January 2021)</b>	<b>SG, SDS &amp; SFC</b>	<b>End of January 2021</b>
<b>Action ESSB December 20 (12)</b>	<b>Agreement to set up the skills alignment assurance group with the Chair to have a further discussion with David Wilson on how it will operate.</b>	<b>Chair &amp; David Wilson (SG)</b>	<b>Ongoing</b>
<b>ESSB December 20 (13)</b>	<b>Update on the Career Service review at future Board.</b>	<b>SDS, SG</b>	<b>Future Board Meeting</b>