
SCOTTISH GOVERNMENT ENTERPRISE AND SKILLS REVIEW – CONSULTATION RESPONSE

Report by Corporate Transformation and Services Director

SCOTTISH BORDERS COUNCIL

25 August 2016

1 PURPOSE AND SUMMARY

- 1.1 The purpose of this report is to agree a response to the Scottish Government's Enterprise and Skills Review, encompassing the services provided by Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland, and the Scottish Funding Council.**
- 1.2 A call for evidence was issued by the Scottish Government on the 15 July 2016 (see Appendix 1) with a deadline for responses of the 15 August 2016. The Call asks for evidence on how the present system can be improved and also seeks examples of good practice.
- 1.3 The proposed responses to the consultation questions are set out in Appendix 2. The responses cover the positive work that the Agencies have been undertaking in relation to the Borders Railway Economic Blueprint and the South of Scotland Alliance's Rural Regional Economic Development Programme. However, the responses also highlight the fundamental limitations for the Scottish Borders of national bodies that do not prioritise regional equity as part of their existing strategic approach.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Council:-**
 - (a) Agrees the response to the Scottish Government's Enterprise & Skills Review, as set out in Appendix 2;and**
 - (b) Requests that the Corporate Transformation and Services Director reports, in due course, on the outcome of the Review and how it will affect the delivery of economic development in the Scottish Borders.**

3 BACKGROUND

- 3.1 In 2007, the Scottish Government reviewed enterprise support, which led to changes to Scottish Enterprise's and Highlands & Islands Enterprise's responsibilities. The main changes were that Local Enterprise Companies were dissolved and the responsibility for local economic development was transferred from the enterprise bodies to Councils. This meant that Local Enterprise Companies such as Scottish Enterprise Borders ceased to operate and the resources associated with it were centralised. The remits of Scottish Enterprise and Highlands & Islands Enterprise were refocused on national and regional economic development, prioritising key growth sectors and businesses with high-growth potential. Most of their skills and training functions were transferred to Skills Development Scotland.
- 3.2 In May 2016, the First Minister announced an 'end-to-end' review of enterprise and skills services in her Priorities for Government speech. The review is considering the services provided by Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS), and the Scottish Funding Council (SFC). Given that economic development is a key priority for local government in Scotland, it is crucial that the Council actively contributes to this review.
- 3.3 A call for evidence on the Enterprise and Skills Review was issued by the Scottish Government on the 15 July 2016 (see Appendix 1) with a deadline for responses of the 15 August 2016. The call asks for responses on how the present system can be improved and also seeks examples of good practice. In view of the summer recess a request was made to the Scottish Government to submit a late response and this has been accepted.

4 RESPONSE BY SCOTTISH BORDERS COUNCIL

- 4.1 The Review's terms of reference includes three aims. These are :
 - (a) Building on the evidence of 'what works' and national and international benchmarking to achieve the step-change needed in Scotland's economic performance.
 - (b) Capturing the user journey and experience to understand what might be simplified and improved.
 - (c) Shaping which services should be prioritised and how they should best be organised and delivered.
- 4.2 The Scottish Government is keen that the outcome of the Review leads to:
 - (a) A common vision and performance framework for all to maximise economic growth and productivity and support more inclusive growth, with full geographical access.
 - (b) A modern system of support that is fit for the 21st century, simple and clear for users to access, supported by the right roles, services, skills and behaviours.

- (c) Affordability – making the best use of all public resources, financial and other assets, to impact on outcomes, with funding matching priority services and flowing through the minimum number of levels and organisations to the user.
- 4.3 The Review is being led by the Cabinet Secretary for Economy, Jobs and Fair Work – Keith Brown MSP, on behalf of the Scottish Government. The Cabinet Secretary is being supported in his consideration by other Cabinet Secretaries and Ministers from relevant portfolios. A Ministerial Review Group has been established to advise on the work. Membership has been drawn from a wide range of key stakeholders and experts from the Council of Economic Advisers, COSLA, business and entrepreneurs, the third sector, the STUC, further and higher education and the student body.
- 4.4 The call for evidence sets out ten specific questions. The first three questions are focused on ‘personal experience’ and are not relevant for the Council. The questions that the Council does need to respond to are:
- (4) What do you see as the strengths and weaknesses in the current approach?
 - (5) What needs to change in the current system of support to make it simple and clear, and help us deliver Scotland’s vision?
 - (6) What are the right: roles; services; skills; and behaviours needed from our agencies to support this transformation?
 - (7) How might we ensure this step-change reaches and benefits all of Scotland, building on regional and local strengths?
 - (8) How would we know if the system is working better?
 - (9) How might public resources be deployed most effectively to match priorities, deliver value for money, and flow through the minimum number of levels and organisations to the user?
 - (10) Is there any other published evidence, or good practice, which you would particularly highlight that you wish us to take into account during the review?
- 4.5 The proposed responses to these questions are set out in Appendix 2. The responses cover the positive work that the Agencies have been undertaking in relation to the Borders Railway Economic Blueprint and the South of Scotland Alliance’s Rural Regional Economic Development Programme. However, the responses also highlight the fundamental limitations for the Scottish Borders of national bodies that do not prioritise regional equity as part of their existing strategic approach.
- 4.6 Much more work needs to be done to address the economic challenges facing the South of Scotland and the Scottish Borders. Recognising this, it is imperative that the current review delivers updated remits and responsibilities that enable the key national Enterprise Agencies to support the local economy, as well as leading the development of the Scottish economy.

5 IMPLICATIONS

5.1 Financial

There are no costs attached to any of the recommendations contained in this report.

5.2 Risk and Mitigations

The Scottish Government's Review of Enterprise and Skills Services has significant implications for the future economic development of the Scottish Borders and it is important that the Council provides a response to the Review consultation.

5.3 Equalities

There is no need for an Equalities Impact Assessment as this report is concerned with providing evidence to a Review.

5.4 Acting Sustainably

There are no direct sustainability implications arising from this consultation response.

5.5 Carbon Management

There are no effects on carbon emissions.

5.6 Rural Proofing

Rural Proofing is not required as the proposal does not relate to new or amended Council policy or strategy. The need to support the economic development of rural areas is an important part of the Council's evidence to the Review.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation arising from this report.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the report.

Approved by

Rob Dickson

Corporate Transformation and Services Director

Signature

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Background Papers: None
Previous Minute Reference: None

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