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## SCOTTISH ENTERPRISE – GUIDANCE 2018-19

### Introduction

1. Following the publication of our Programme for Government (PfG) for 2017-18, 'A Nation with Ambition' and strategy meeting on Thursday 26 October 2017, I am writing to you to outline the priorities I would wish to set for Scottish Enterprise (SE) until the end of March 2019.

### Strategic Context

2. Investing in our economic future sits at the core of this Government's mission. We are absolutely committed to creating a more prosperous nation with more jobs, fair work and a dynamic sustainable and inclusive economy.
3. It is my intention that SE will undertake its operational and strategic planning in line with the Strategic Board's Strategic Plan once it is developed, and in the meantime be attentive to the emerging themes and priorities of the Board as it develops that Plan and to contribute to the staffing resource of the new Analytical Unit. Of considerable significance to that aim is the requirement for SE to plan and work collaboratively with the other Enterprise and Skills agencies, with SG and more widely as required to support the Strategic Board's aims.
4. In 2018-19, I look to SE to make decisions that ensure the funds provided to it by Scottish Government are used to drive sustainable and inclusive economic growth, meet SE's statutory obligations, contribute to the Scottish Government priorities and achieve the outcomes set out in SE's Business Plan.

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## SE's contribution to Scottish Government's priorities

5. Mapped against our priority areas set out to deliver Scotland's Economic Strategy together with key areas of focus from SE's Business Plan this letter sets out my strategic priorities and expectations of SE operating as a highly effective public body working in partnership with others to deliver outcomes. Specifically, SE has a critical role to play in delivering effective operations to ensure that SDI (a partnership of HIE, SE and SG) is optimising the opportunities for export and investment promotion for businesses across Scotland.
6. I would again emphasise that in directing your support and investment across all of your activity, SE must focus on maximising the contribution that its investment will make to achieving the Scottish Government's priorities in conjunction with the information contained in the **Annex** and captured in the [National Performance Framework \(NPF\)](#) that will be refreshed in summer 2018, [Programme for Government \(PfG\)](#) and [Scotland's Economic Strategy \(SES\)](#).
7. SE's planning and reporting, including your partnerships and shared service arrangements should be demonstrably based, and their effectiveness assessed, on this alignment. I expect you to use your regular engagement with Scottish Government officials and Ministerial level liaison to provide Government with a robust and timely assessment of progress and risks in relation to these plans.
8. I welcome SE's outcome focused approach and expect SE to continue to set challenging targets that contribute to the delivery of the National Performance Network, PfG and Scotland's Economic Strategy, and to align with the performance framework to be developed by the Strategic Board. SE has a clear role as the main economic development agency in understanding the economy and the key actions needed across the enterprise and skills system to make sure that it thrives.
9. 2018 is the Year of Young People and is celebrating the very best of Scotland and its young people. The Year has been co-designed with young people themselves and SE should actively seek to work in partnership with other partners where opportunities arise ensuring an inclusive approach is taken throughout the Year and beyond, creating a lasting legacy.
10. We also welcome the commitment you have given to the South of Scotland Economic Partnership, including signing its memorandum of understanding and we look forward to you working as part of the Partnership and paving the way for the new South of Scotland Enterprise Agency.
11. We acknowledge the role you have played in supporting City Region Deals and the development of Regional Partnerships across Scotland, and look forward to this continuing. I expect that you will extend the same commitment and support to growth deals and Regional Partnerships for those areas of Scotland yet to have such arrangements in place – helping to shape and develop their proposals, and play a role in their on-going implementation.

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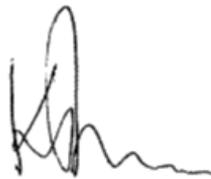
## SE Budget 2018-19

12. In what has been a tight financial settlement for public services across Scotland, I am pleased that I have been able to secure an uplift in SE's budget. I welcome SE's approach to working openly with officials to better understand and consider the prioritisation and maximisation of opportunities within the confines of this settlement.
13. SE's budget allocation for 2018-19, to support delivery of our priorities on inclusive and sustainable economic growth is set out in the table below. Any in-year transfers, both in or out of the budget, will be detailed at the Autumn and Spring Budget Revisions agreed with SE, published each year and subject to Parliamentary scrutiny.

Financial Year 2018-19	£(m)
Resource	137.95
Capital	41.40
Financial Transactions	68.50
Non-cash	8.30
<b>Total</b>	<b>256.15</b>

## Conclusion

In conclusion, I hope that you will find this letter helpful in carrying forward your business planning for 2018-19. I am confident that SE will rise to meet the challenges it faces during the coming year and this Government very much values the important work that SE carries out in helping to deliver the Government's Purpose. I look forward to that support continuing as the Board drives forward its important work in meeting our priorities to create a prosperous nation with more jobs, fair work and a dynamic sustainable and inclusive economy.



**Keith Brown**

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## SPECIFIC RELATIVE REQUESTS AND SUPPORTING PRIORITIES FOR ENTERPRISE AGENCIES AND PUBLIC BODIES

### **National Performance Framework**

Introduced in 2007 and refreshed in 2011 and 2016 (and will be refreshed in summer 2018), the NPF sets out in the Purpose and the National Outcomes, a clear, unified vision for Scotland and how our actions will improve the quality of life for the people of Scotland.

### **Transforming Public Services – Supporting Growth**

The Community Empowerment (Scotland) Act 2015 includes provisions to strengthen community planning. The Act, places new statutory duties on CPPs and public sector bodies - including SE for the CPPs in its region - to improve outcomes and reduce socio-economic disadvantage for local communities (including the business community) through effective partnership working.

<http://www.legislation.gov.uk/asp/2015/6/contents/enacted>

### **Fairer Scotland Duty (Interim) Guidance**

This guidance places a legal responsibility on particular public bodies in Scotland to actively consider (pay due regard to) how they can reduce inequalities of outcome caused by socioeconomic disadvantage. The final guidance will be developed with public bodies, grounded on experience of working on the Duty and reflecting the good practice that's already in place.

<http://www.gov.scot/Resource/0053/00533417.pdf>

### **Scotland's international policy statement 2017**

This policy statement builds on the four strategic objectives outlined in Scotland's International Framework.

<https://beta.gov.scot/publications/scotlands-international-policy-statement-9781788514026/>

### **Scotland's place in Europe: people, jobs and investment**

This paper presents the latest analysis by the Scottish Government of the implications for Scotland's economy if the UK exits the European Union.

<https://beta.gov.scot/publications/scotlands-place-europe-people-jobs-investment/>

### **Global Scotland: trade and investment strategy 2016-2021**

The Strategy outlines key actions and commitments to boost Scotland's export performance and to attract inward, capital and risk investment to Scotland. The essence of this is captured in our eight point action plan for trade and investment.

<https://beta.gov.scot/publications/global-scotland-scotlands-trade-investment-strategy-2016-2021/>

### **Understanding the Scottish rural economy: research paper**

This report outlines the Scottish Government's understanding of the Scottish rural economy and presents economic and social data.

<https://beta.gov.scot/publications/understanding-scottish-rural-economy/>

### **Scotland CAN DO: an innovation action plan for Scotland**

This innovation action plan builds on the progress we have made, working together, to boost Scotland's innovation performance.

<https://beta.gov.scot/publications/scotland-innovation-action-plan-scotland/>

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## **Promoting Workplace Equality & Gender Pay Gap**

The SG has been clear that inclusive growth must be driven by innovation and increased productivity, and the relationship between employers and their employees should be right at the heart of this.

<https://beta.gov.scot/policies/gender-equality/workplace-gender-equality/>

## **National Manufacturing Institute Scotland (NMIS).**

This document confirms the commitment of partners to work together in developing and delivering a National Manufacturing Institute for Scotland.

[National Manufacturing Institute for Scotland: statement of intent](#)

## **The future of energy in Scotland: Scottish energy strategy**

Scotland's first energy strategy sets out the Scottish Government's vision for the future energy system in Scotland.

<https://beta.gov.scot/publications/scottish-energy-strategy-future-energy-scotland-9781788515276/>

## **Support for Veterans and the Armed Forces community**

This document sets out the work that is being done to respond to the recommendations made in the Scottish Veterans Commissioner's first three reports

<https://beta.gov.scot/publications/scottish-government-support-veterans-armed-forces-community-scotland/>

## **Realising Scotland's full potential in a digital world: a digital strategy for Scotland**

Scotland's refreshed digital strategy sets out our vision for Scotland as a vibrant, inclusive, open and outward looking digital nation.

<https://beta.gov.scot/publications/realising-scotlands-full-potential-digital-world-digital-strategy-scotland/>

## **Scotland's Social Enterprise Strategy and Action Plan**

These documents outline collaborative work with the enterprise agencies, specifically actions 2B.2, 2B.3 and 2B.5.

<https://beta.gov.scot/publications/scotlands-social-enterprise-strategy-2016-2026/>

<https://beta.gov.scot/publications/building-sustainable-social-enterprise-sector-scotland-2017-20/>

## **STEM strategy**

We published our STEM Education and Training Strategy on 26 October 2017.

The Strategy aims to build Scotland's capacity to deliver excellent STEM learning, and to close equity gaps in participation and attainment in STEM. It also aims to inspire young people and adults to study STEM, and to provide a better connection between STEM education and training and the needs of the labour market in Scotland.

A set of STEM Strategy key performance indicators will be used to measure and monitor progress with the delivery of the STEM Strategy.

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<https://beta.gov.scot/publications/science-technology-engineering-mathematics-education-training-strategy-scotland/>

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## SPECIFIC REQUESTS OF PUBLIC BODIES

Issue	Further information	Basis of request
Community Planning	We expect those public bodies that will be subject to statutory community planning duties under Part 2 of the <a href="#">Community Empowerment (Scotland) Act 2015</a> to work with other partner bodies and communities within <b>Community Planning Partnerships</b> to identify, resource and manage effective delivery of shared priority outcomes for their localities. Other public bodies should consider and take reasonable steps to pursue opportunities for partnership working with other bodies, including local authorities, wherever this can support your respective business objectives.	Page 13 of the PfG; the Community Empowerment (Scotland) Act 2015
Digital services	Digital technology is a powerful enabler for improving public services and driving down the costs of delivery. We expect public bodies to deliver against <a href="#">Scotland's Digital Future: Delivery of Public Services</a> by ensuring that digital transformation is embedded within your business strategy and corporate plan. In developing your digital public services, you should consider opportunities to support or benefit from the development of Scotland's national digital ecosystem. If you wish to assess the digital maturity of your organisation, develop business cases/procurements for digital services, or source expert digital staff, please contact the Central Government Digital Transformation Service. Such business change can be challenging and we therefore expect all bodies to make effective use of the <a href="#">Central Government ICT Project and Programme Assurance Framework</a> . We are currently working with the enterprise agencies, Scotland IS and others to create an ambitious action plan to develop and expand a cyber-tech cluster which, in turn, will contribute to Scotland's economy. In addition, we expect our public bodies to secure their digital assets through improved cyber security measures	Page 28 of the PfG; Scotland's Digital Future: Delivery of Public Services  Page 90 of the PfG: Services fit for Purpose
Diversity on boards	<p>Most public bodies with boards have signed up to the commitment – <b>50:50 by 2020</b> – to improve diversity on boards including working towards gender balance on boards by 2020. As of April 2017 listed public authorities are required to publish the gender composition of their boards and to produce succession plans to increase the diversity of their boards by virtue of The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016. Guidance to support listed public authorities to implement the new duty will be developed by the Equality and Human Rights Commission and the Scottish Government. In addition, the new regulations also amend the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 by lowering the threshold for a listed public authority to report their gender pay gap and publish equal statements etc. from those authorities with more than 150 employees to those with more than 20 employees.</p> <p>You are encouraged to take positive action to support and enable greater diversity of Ministerial appointments, through:</p> <ul style="list-style-type: none"> <li>• taking an active role in succession planning, and providing advice to Ministers about the board's membership needs, both for new and re-appointments;</li> <li>• ensuring that suggested criteria for the selection of new board members meet the needs of the body, are unbiased and are not unnecessarily restrictive;</li> <li>• taking action both during and between board member recruitment exercises to attract the broadest range of candidates to the work of the board;</li> <li>• providing mentoring, shadowing and training opportunities for potential board members; and</li> <li>• considering the role of nominations committees.</li> </ul>	Page 35 of the PfG

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Equality	<p>Public bodies are reminded of the Public Sector Equality Duty (PSED) contained within the Equality Act 2010.</p> <p>Those bodies that are listed within the <a href="#">Scottish specific equality duties</a> are legally required to:</p> <ul style="list-style-type: none"> <li>• report on progress in mainstreaming the PSED in to the main business of the organisation;</li> <li>• set, every 4 years, equality outcomes and report on progress every 2 years. We would expect to see within the business plans of the listed bodies clear links to their equality outcomes;</li> <li>• impact assess new and revised policies and practices as well as making arrangements for reviewing existing policies and practices;</li> <li>• gather and use and publish employee information;</li> <li>• publish gender gap information every two years, and every four years an equal pay statement that includes information on pay and occupational segregation in relation to gender, disability and race; and</li> <li>• consider adding equality award criteria and contract considerations into procurement exercises.</li> </ul> <p>When fulfilling the requirements of the public sector equality duty you should take into account both general guidance issued by the Equality and Human Rights Commission as well any recommendations made by the Commission that are specific to SE.</p>	Public Sector Equality Duty within the Equality Act 2010 and the Scottish specific equality duties
Living Wage	Public bodies are encouraged to become <a href="#">Accredited Living Wage Employers</a> , paying the <b>Living Wage</b> to their employees and people involved in delivering public contracts. We published <a href="#">statutory guidance</a> for public bodies on how workforce-related matters, including the Living Wage, may be taken into account in public procurement processes.	Page 37 of the PfG
Young	You have a vital role to play in working with us to implement the Scottish	Cabinet

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Workforce	Government's youth employment strategy, Developing the Young Workforce, for example, by recruiting and training young people, working towards achieving the Investors in Young People gold standard and engaging with the education system to provide development opportunities for young people. Development of procurement policies that encourage more employers to contribute to the development of Scotland's young people.	Secretary for Fair Work, Skills and Training's letter to public bodies of 15 December 2014
Fair work	You will know that the Government previously commissioned the <a href="#">Working Together Review</a> to examine progressive workplace policies and published a <a href="#">formal response</a> in August 2015. We asked you to have regard to that report and the recommendation that public bodies should report publicly on their approach to industrial relations and its impact on workplace and workforce matters. A key part of the response was the establishment of the independent <a href="#">Fair Work Convention</a> , who published their blueprint for fair work in Scotland in March 2016.	Page 37 of the PfG; Working Together Review: Progressive Workplace Policies in Scotland
Low Carbon sector and combating climate change	We look to all public bodies to help realise the significant opportunity for growing the <b>low carbon sector</b> both through leadership and directly through reduction of energy demand and integration of low carbon and renewable heat and energy technologies across estates. More generally, we expect our public bodies to lead by example in <b>combating climate change</b> and making a valuable contribution towards achieving our ambitious emission reduction target of 80% by 2050. 2017/18 will mark the third year of mandatory reporting from 180 listed public bodies on compliance with climate change duties. The mandatory reports for 2017/18 are due to be submitted to SG by 30 Nov 2018. Reporting advice, tools, guidance and training are available from the <a href="#">Sustainable Scotland Network (SSN)</a> .	Pages 30-31 of the PfG; policy proposal to bring into force a public body duties reporting requirement under <a href="#">sections 46 and 96 of the Climate Change (Scotland) Act 2009</a>
Efficiency	Although not explicitly mentioned in the Programme for Government, <b>we continue to expect every public body to deliver efficiency savings of at least 3% per annum</b> and to report publicly on the actions undertaken and the results achieved.	<a href="#">Efficient Government section of SG website</a>

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