



Economy, Energy and Fair Work Committee

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Dear Derek

Scotland's Economic Performance

In June 2018, the Committee published its report on Scotland's Economic Performance and you responded in September 2018. In this response, the Scottish Government made a number of commitments and it would be helpful if you could provide the Committee with an update on these actions.

The Committee will also wish to seek an update from Nora Senior, Chair of the Enterprise and Skills Strategic Board, and the Clerks will be in touch with the Board to arrange a further meeting.

We would be grateful for an update on the Scottish Government's commitment to:

- Undertake behavioural insight work to better understand the 'fear of heights' and lack of business confidence in growing successful companies.
- Have regular meetings of the Scottish Business Growth Group to take steps to prepare businesses to trade with countries outside the EU.
- Undertake work, alongside the Enterprise Agencies, to evaluate the growth sectors by the end of 2018. This will include looking at sectors which currently have low productivity. It was also noted that whilst there are issues with placing economic values on the care sector, it will also be considered within this analysis.
- Ensure that the Women in Enterprise Action Group consider the funding streams available to female entrepreneurs and report on provision for improvement in this area in September.

- Work closely with the employee-ownership sector and Co-operative Development Scotland, through Scottish Enterprise and HIE, to establish a new Industry Leadership Group for Employee Ownership.
- Agree and publish targets for increasing employee ownership in Scotland.
- Enhance economic statistics through the Scottish Economic Statistics Plan 2018-19
- Publish further elements of the Growth Scheme in September and October 2018, with monitoring mechanisms to ensure delivery agents meet targets
- The Enterprise and Skills Strategic Board developing a performance framework that will be consistent with the Scottish Government's National Performance Framework. Individual agencies will continue to use bespoke frameworks in parallel.
- Recognise the impact women in business play in the economy by introducing a measure to understand the impact of their activities. This will establish baseline information that will allow SE to consider introducing further outcome measures for inclusive growth.
- Work with the UK Government to ensure the UK Industrial Strategy delivers maximum benefit for Scotland.
- Further consider what more could be done to support job transitions, in-work training and reskilling through the Enterprise and Skills Strategic Board.
- Ensure by 2021 every child will begin to learn an additional language when they start primary 1 and a second from primary 5 at the latest.

It would also be helpful to receive an update on the Committee's 5 concluding recommendations (listed below with the response in *italics*):

- The Economic Strategy is reviewed and updated as a matter of urgency, not least to take account of the potential economic consequences of Brexit; *Whilst we believe the Economic Strategy remains relevant, we need to monitor what we are doing to ensure our efforts to deliver sustainable and inclusive economic growth address changing financial, economic and social factors, which are often beyond our control.*
- Whilst the creation of the Strategic Board is welcome the enterprise and skills agencies need to be much more clearly focused on delivering on the strategy; *The Strategic Board will bring improved clarity based on evidence and data, as well as focus on delivery, to the enterprise and skills support landscape, ensuring that its recommendations are firmly rooted in good evidence and data. The Board is developing a performance framework that will be consistent with the Scottish Government's National Performance Framework, and therefore with the Economic Strategy.*

- There is a consistent, commonly held and settled definition of inclusive growth and this should be reflected in the enterprise and skills agencies' operational plans; *the Scottish Government defines inclusive growth as growth that combines increased prosperity with greater equality, creates opportunities for all, and distributes the dividends of increased prosperity fairly. The Government is committed to creating a shared understanding of both what inclusive growth is, and how it can be achieved (particularly through the Strategic Board's Plan).*
- There is a robust and appropriately resourced action plan that identifies lead responsibility for key areas of the strategy; *We agree with this and are exploring the best way to deliver this.*
- A comprehensive, monitoring and evaluation framework is in place to measure outcomes and establish what works; *the National Performance Framework went through an extensive change process following consultation. As a result of this exercise, the revised 11 National Outcomes are the outcomes we want to see as a result of the contributions of all of Scotland. This includes national and local government, the wider public, private, third sectors, and civil society*

We look forward to receiving your update on the above points and would be grateful for a response by 7 November 2019.

Kind regards

A handwritten signature in black ink, appearing to read 'Gordon Lindhurst', with a stylized flourish at the end.

Gordon Lindhurst MSP
Convener