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# REGIONAL BOARD REPORT

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| **Subject:** Review of the Enterprise and Skills Agencies | **Purpose:**<br>**For Approval** ☐<br>**For Discussion** ☒<br>**For Information** ☐ |
| **Prepared by:** Tony Jakimciw | **Date:** 23 February 2017 |

**Purpose:** To update Board on the current review of the Enterprise and Skills Agencies and the proposed creation of a new Enterprise and Skills Vehicle for the South of Scotland. .

**Executive Summary:**

Following stage 1 of the review Ministers announced some initial findings in relation to the future of Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS) and the Scottish Funding Council (SFC). Ministers believed that the creation of a single overarching strategic board responsible for all of the agencies would aid in the planning, integration and efficiency of delivery by all of the agencies. Ministers also announced the creation of a new Enterprise and Skills Vehicle for the South of Scotland

In order to take the review forward a number of work streams have been established as part of stage 2 with Colleges Scotland represented on all of the groups with the Principal joining the S o S work stream.

At a separate meeting with civil servants the chairs expressed the view that the remit should be similar to that of HIE which has both an enterprise and community development remit. HIE is an independent agency with its own budget, board and staff and works in collaboration with SDS, local Authorities and Colleges in support of economic and social development.

At a stakeholder meeting attended by the Chair and Principal, the structure proposed by the South of Scotland Alliance (SOSA) was that of a joint board comprising of the two councils and key partners and stakeholders

**Recommendation:**

The Board is asked to ascertain its position and priorities regarding the four areas under consideration prior to further engagement by the Principal and Chair.

**Previous Committee Approvals:** n/a

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| **For publication** ☒ | **For publication with redactions** ☐ | **Not for publication** ☐ |

**Signed:**

**Author** **Principal**

## Review of the Enterprise and Skills Agencies

### Background

Following stage 1 of the review Ministers announced some initial findings in relation to the future of Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Skills Development Scotland (SDS) and the Scottish Funding Council (SFC). Ministers believed that the creation of a single overarching strategic board responsible for all of the agencies would aid in the planning, integration and efficiency of delivery by all of the agencies. It is still not clear whether this new board would replace all of the existing boards or whether the existing boards would report into the new strategic board. Since the announcement there has been a great deal of support from stakeholders for maintaining the individual agencies with their boards reporting to the new strategic board. Similarly, there has been a great deal of support for the maintenance of HIE as a separate entity with its own independent board. Ministers will reach their final conclusions following stage 2 of the review.

Most importantly Ministers also announced the creation of a new Enterprise and Skills Vehicle for the South of Scotland The geographical scope of the new agency, its remit, structure and organisation was not defined and will be considered as part of stage 2 of the review which is intended to conclude by the end of April 2017.

### Stage 2

In order to take the review forward a number of work streams have been established. These are:

- Governance
- Data and Evaluation
- Regional Partnerships
- South of Scotland Enterprise and Skills Vehicle
- International
- Enterprise and Business Support
- Innovation
- Skills Alignment
- Learner Journey

Colleges Scotland will be represented on all of the groups with the Principal joining the S o S work stream. This has had one meeting at which we were not

represented. However, the main recommendation from the work stream so far is that the geographical scope of the agency should be co-terminus with the existing boundaries of the Scottish Borders and Dumfries and Galloway.

Subsequent to the work stream meeting the Chairs of Dumfries and Galloway and Borders College met with the civil servants responsible for the S o S work stream. This was a productive meeting at which we expressed our support for the geographical boundaries; emphasised the need to focus on the needs of the place and its people rather than meeting nationally set targets; that there should be a strong emphasis on skills and that the colleges should be central to the governance and delivery of programmes by the new agency.

It was confirmed that the work stream is expected to make recommendations regarding

- The definition of the South of Scotland
- The roles and remit of the new vehicle
- The legal structure
- Staffing and organisation

The chairs expressed the view that the remit should be similar to that of HIE which has both an enterprise and community development remit. HIE is an independent agency with its own budget, board and staff and works in collaboration with SDS, local Authorities and Colleges in support of economic and social development. However, different models will be considered by the work stream. These include a joint board of the local authorities and other stakeholders; an independent agency; a Public Partnership or setting up the new vehicle as a sub set of an existing agency.

**Stakeholder meeting Friday 17 February.**

The Principal and Chair attended a meeting organised by the South of Scotland Alliance (SOSA) and hosted by the Chief Executives of both Councils. Representatives of all the potential key stakeholders in the S o S were invited with the aim of updating attendees and seeking some basic agreement on the way forward.

SOSA proposed 3 guiding principles for the new vehicle

- To drive the economy forward
- To sustain and grow our communities
- To capitalise on our people and resources.

There was a wide ranging and productive discussion stimulated by a helpful presentation and some key questions raised by officers of the councils. There was wide spread agreement with the guiding principles and with the proposed geographical boundary. The need to place a greater emphasis on skills acquisition was agreed and accepted.

The structure proposed by SOSA was that of a joint committee comprising of the two councils and key partners and stakeholders. The Chair of Borders College expressed the view that such a vehicle may potentially be affected by local political disagreement and may not achieve the flexibility required to maximise the contributions of partners and employers. Officers agreed to consider these comments and respond to these in the near future.

**Next steps**

It is important that the Board identifies its position and priorities regarding the four areas under consideration prior to further engagement by the Principal and Chair.