

A SMART, SUCCESSFUL SCOTLAND

Ambitions for the Enterprise Networks



SCOTTISH EXECUTIVE

Making it work together



Ministerial Foreword	2
The Challenge	4
The Vision	6
The Approach	8
The Priorities:	
Growing Businesses	10
Global Connections	12
Skills and Learning	14
The Implications	16
Strategic Partnerships	18
Making it happen	20

ministerial foreword



The Enterprise Networks, with their arms-length, market-facing character, play critical roles in delivering change for the Scottish Executive. They help businesses and individuals to raise productivity and competitiveness and, in consequence, contribute to our shared aims, our vision, to create a smart, successful Scotland. The key elements and the new relationships required to deliver them are set out in this document.

This document provides a clear sense of direction and identifiable priorities for the Networks. It is the first comprehensive policy statement of what the Scottish Executive expects from the Enterprise Networks. Many of the directions set out in this document are already being piloted in a number of parts of the Network. It is important that we build on this “best practice” and extend it by providing clear directions to be followed by the Network as a whole. This document endorses the many achievements of the Networks, the organisational changes already underway and the new emphasis on better customer service. But after a decade of intense global economic change, with the new contours of successful economic nations becoming clearer, it is time to reconsider the role of the Enterprise Networks.

There are stark contrasts between the Scottish Economy of just over a decade ago, when the Networks were first formed, and now.

Then, as in decades past, we suffered from boom and bust. *Now* a strong stable economy with more people in work than for forty years has been delivered.

Then, it was right to bring training and economic development together. But skills too often remained the poor relation. *Now*, lifelong learning lies at the heart of our, and every other advanced nation’s competitiveness.

Then, the most important challenges in the international economy were to win manufacturing inward investment and support new exporters. *Now*, that is too limiting a way to look at our place in the global marketplace. If Scotland aspires to be the most globally connected nation in Europe, either we look outward and win, or we look inward and fail.

Then, whilst welcoming electronics activity locating in Scotland, few imagined how the PC and new telecommunications would transform business and accelerate the pace of technological change. *Now*, the digital revolution is changing how we work, communicate and live and challenging us to improve the transmission of research and knowledge into economic value. And those very changes also challenge us to transform how the networks deliver their services.

There is a growing understanding that, if we have the confidence to embrace rather than fear change, we have a once in a generation opportunity to build a new prosperity for all in Scotland. Part of this change lies in improving economic development services, where we have led in the past. We can lead again. But it will require a clear, overall strategic focus allied to sharp local delivery. Scottish Enterprise and Highlands and Islands Enterprise, in delivering the shared vision and strategy, must continue to support the Local Enterprise Companies as the critical catalysts in shaping partnerships for successful and sustainable local economic development.

Our economic success depends on the people of Scotland, their creativity and enterprise. Too often in the past a lack of self-belief has held us back and economic change has needlessly become social misery. We believe that a strong economy and a strong society can be two sides of the same coin. Enterprise and wealth creation can lie at the heart of reviving communities with the social economy and third sector also playing key roles. But this requires individuals to be willing to learn and re-learn, for businesses to be smart and government to listen and learn. We **can** create a dynamic enterprising economy where opportunity is extended to all and no one is left out. Our task is to create the conditions for a smart, successful Scotland.



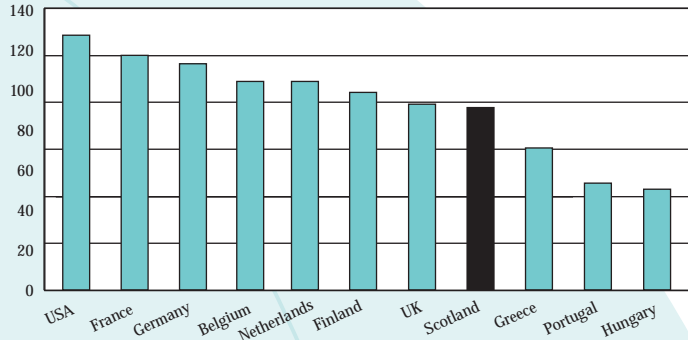
Wendy Alexander, MSP

Minister for Enterprise and Lifelong Learning

the challenge

Productivity¹

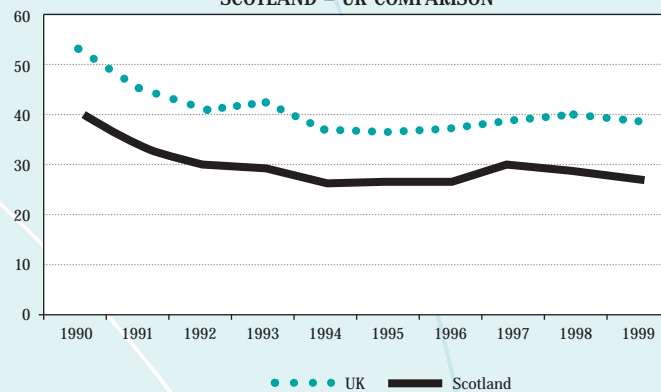
GDP PER PERSON EMPLOYED (1998)



¹Source – Scottish Executive analysis of OECD and ONS data

Entrepreneurship²

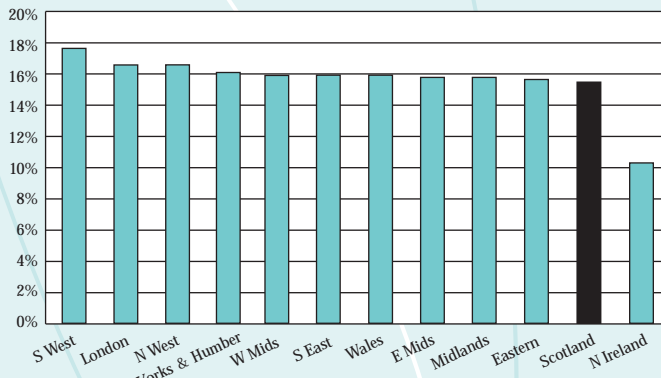
VAT REGISTRATIONS PER 10,000 RESIDENT ADULTS:
SCOTLAND – UK COMPARISON



²Source – Department of Trade and Industry data

Skills³

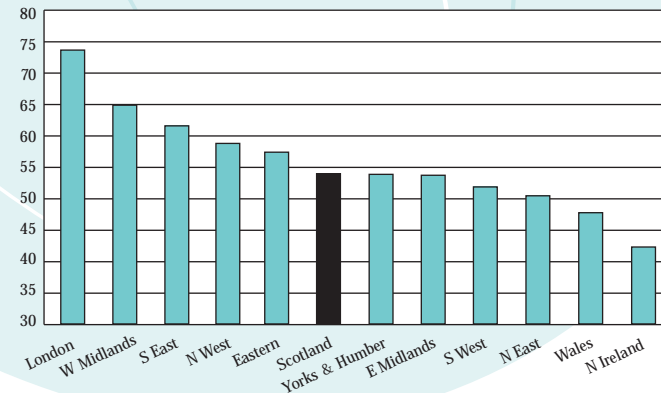
PROPORTION OF EMPLOYEES UNDERTAKING JOB RELATED TRAINING



³Source – DfEE Education & Training Statistics for the UK – 2000 edition

Digital connections⁴

% OF COMPANIES WITH OWN WEBSITES OR MAKING FREQUENT USE OF ELECTRONIC DATA INTERCHANGE BY REGION



⁴Source – Spectrum International Benchmarking Study 1999

the challenge

Scotland can and must improve its economic performance. It is businesses and people, not governments, which lead productivity growth. But there are major challenges for the government, to tackle barriers to competitiveness and improved productivity. A sustained uplift in Scotland's productivity performance will require creating a climate more conducive to entrepreneurial success, improving the operation of the Scottish labour market and better connecting Scottish-based enterprises to global opportunities. Change will not happen overnight but a clear strategy will set the foundation for sustained improvement.

Productivity for Prosperity

The current UK Government's macro-economic policy, in contrast to the boom and bust of the past, has provided a strong and stable platform for confidence, investment and growth. Further progress will come from matching macro-economic stability with supply side action. We, along with the rest of the UK, have a significant and longstanding "productivity gap" with other leading competitor nations. This matters for all Scots; finding a solution to the productivity gap will contribute to our aim of higher living standards and lower poverty. In addition, more efficient use of natural resources can help progress towards sustainable development while increasing business competitiveness.

Entrepreneurship

Entrepreneurs are important creative catalysts who generate prosperity by growing new products, new ways of doing things or new markets. Entrepreneurship is not simply for the established and the educated, but for everyone. If an idea will make a living, let alone a fortune, it should be encouraged. In recent years in Scotland we have failed to raise significantly the rate of new firm formation, and we continue to lag behind the rest of the UK. Entrepreneurship is also important inside companies as well as for spin outs and new start ups. Too few of our existing firms reach global status and too few people back good ideas with action. Scotland must become a nation where setting up and running a successful business is an ambition of most and an achievement of many.

Skills

Today macro economic stability and productivity improvements arising from new industries are contributing to higher employment rates than a decade ago – full employment is within reach. But we face the challenges of this success. How else can we explain growing vacancy levels for low-skill jobs but with still high levels of unemployment and other marginalised people in many parts of Scotland? This is a new labour market unlike the one known by previous generations. Today skills matter more than brawn. As human capital becomes ever more important to economic success so the severe opportunity cost of unemployment rises. Scotland needs new skills and better matching of skills and opportunities. This demands a more informed and active labour market policy. It also requires shared understanding between the education system and the wider economy of the needs of young people, and the skills, attitudes and expectations they will require to develop.

Digital Connections

We are living through a revolution in digital telecommunications, affecting how most Scots and most businesses work, communicate and succeed. If we are not connected we shall not compete. Embracing the Digital Age is not an option but a necessity for success. And it has already arrived.

Meeting the challenges of raising productivity, encouraging entrepreneurship, raising skill levels and connecting globally, will create a self-reinforcing upward spiral of growth. We need Scottish based businesses to be more creative and better informed about global change. We want the workforce to be better skilled and have a capacity to learn and re-learn and to be better informed about job opportunities. We want those detached from the labour market to be better placed to take up economic opportunities. We want widespread digital connections to speed information flow around Scotland and back and forth between Scotland and the world. And we are conscious that government and the Enterprise Networks also have to embrace these principles of creativity, learning and connecting in our own activities.

The key response to the productivity challenge is a smarter Scotland where creating, learning and connecting faster will ensure our success in the global economy.

Growing businesses

Scotland: a fast learning, high earning nation

Global connections

Scotland: a globally connected nation

Learning and skills

Every Scot ready for tomorrow's jobs

the vision

Our vision is for a Smart, Successful Scotland, a Scotland where creating, learning and connecting faster is the basis for sustained productivity growth, competitiveness and prosperity. The role of the Enterprise Networks is to be key partners in delivering our vision. The changes needed to achieve a Smarter Scotland translate into three key organising themes for the activities of the Enterprise Networks.

Growing businesses:

Scotland – a fast learning, high earning nation

Other countries have shown that significantly increased productivity is attainable, with higher skills sustaining both higher wages and employment growth. Our strongest businesses are on a par with the best in the world. However we have many more under-performing enterprises and we need to help others with potential to match the best, to improve our performance, create jobs, raise incomes and put Scotland on a new, higher growth path. To ensure that Scotland is a better place to work and a more productive place to do business will require us all to be agile and fast to learn. Closing the productivity gap with other leading nations will mean raising the long term growth rate of the Scottish economy above its trend rate of 2 per cent, in ways consistent with the principles of sustainable development.

Global connections:

Scotland – a globally connected European nation

Our approach to globalisation must not be to resist change, but to embrace it. We need to be globally connected, integrating the Scottish economy into the world economy. We need to tell the world about Scotland and tell Scotland about the world. This will enable us to learn from abroad and earn abroad. To enable the improved flow of products, technologies and ideas in and out of Scotland, the measure of achievement will be making Scotland a globally connected nation.

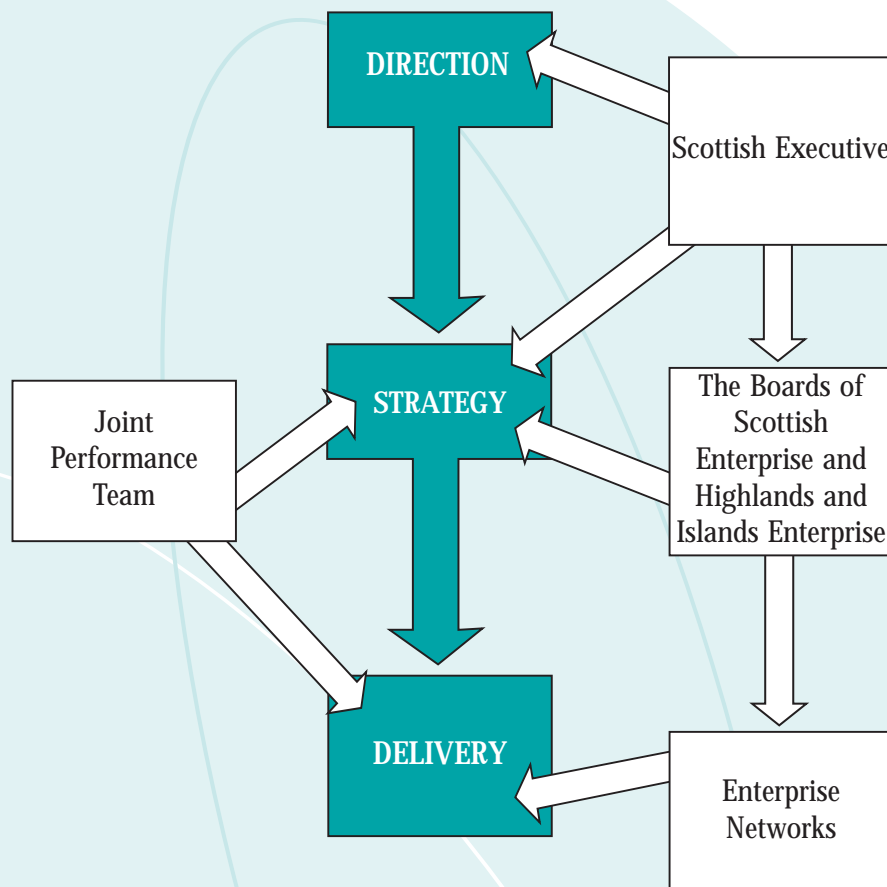
Learning and skills:

Every Scot ready for tomorrow's jobs

Our vision is of a high skill, high wage economy with a higher employment rate across many parts of Scotland. In an age where knowledge is a key competitive weapon, skills and learning need to be at the heart of the Network's activities. We must enhance Scots' employability and equip them for the challenges of tomorrow's labour market – with every Scot ready for the new challenges. Education, whilst not narrowly focused on employability alone, must actively enable young people to take their part in a prosperous and competitive economy. We must seek to provide employment opportunities for all. In consequence we need to achieve significantly higher employment rates for those groups and areas which are lagging behind.

Pursuing this new Vision critically involves new relationships between the Networks, their customers, stakeholders and the Executive. Both the Executive and Networks must learn to better understand the competitive pressures facing Scottish-based companies. The Enterprise Networks must be better at responding to their customers. The Executive must build relationships of trust that give the specialist expertise and insight of the Networks Boards and staff better leverage to enhance the prosperity of Scotland. The Highlands and Islands Enterprise network with its important social development remit, will continue to address the special difficulties of remote, sparsely populated areas through its strengthening communities' activities. The social development remit supports community capacity building. The Scottish Enterprise Network must also be responsive to the integrated nature of rural development. Business growth and high skills levels come from confident communities which recognise personal achievement and advancement.

the approach



Setting Priorities

The future challenges for the Networks are different from those of the past and vary around Scotland. For more than two decades the Scottish economy has been in transition. The future challenges are:

- not countering mass unemployment but achieving full employability;
- not to cling to old ways but to ensure all industries are using new technologies;
- not to target action simply on issues of physical capital when supporting the productivity of human capital might deliver more.

These new priorities mean less about managing transition and more driving forward new directions for all forward looking sectors. Hence the Networks must be willing to pull back from those activities where market failure has been addressed or at least reduced. This decommissioning of past activities will provide further scope for realignment of effort. For example on better matching supply and demand in the labour market, and supporting digital connectedness or sharing risks around Scotland's potential in the new economy as a way of stimulating more, better or faster investment.

It may require less direct provision of traditional business development services which either can not go on-line or be provided by others. It will mean tightening our approach to clusters and more facilitating rather than direct property provision in urban areas whilst requiring more joint ventures and partnerships – these could be across borders, with research bodies, between competitors etc. Above all it will require constantly evolving skill sets within the Networks to rise to the new challenges, such as realising the potential of new growth areas.

the approach

Our goal is to move towards a more strategic relationship with the Networks in which the Executive:

- Sets the broad direction and a context for strategic responses by the Networks;
- Works with the Networks on innovative policy development, monitoring and evaluation;
- Listens to and learns from the Networks in revising targets and directions;
- Encourages the Networks to focus better and prioritise its activities.

The Networks meanwhile bring specialist expertise and their closer proximity to businesses and markets means that they have a great deal of insight, knowledge and hands-on experience which is essential to good strategy, target-setting and operations. The Network Boards are drawn from a cross-section of the best talents in the business, public and voluntary sectors. They will have a central role to play in determining the strategy and priorities for their organisations that will allow them to pursue the broad direction provided by Ministers as creatively, innovatively, efficiently and effectively as possible.

This new alliance of the Executive and Networks involves three linked stages:

Direction → **Strategy** → **Delivery**

Direction:

We will provide this through this document, which will replace the usual annual letter of Strategic Guidance. It will represent the Executive's policy approach, for scrutiny by the ELL Committee of the Parliament.

Strategy:

Will be set jointly by the Executive and the Boards of the Scottish Enterprise and Highlands and Islands Enterprise Networks. This will require new ways of working. The Executive will not seek to second-guess implementation but rigorous reviews of performance will be at the heart of the new relationship. Making this happen will be the task of the new Joint Performance Team shared by the Executive, the Enterprise Networks and, where appropriate, others.

Delivery:

Will be the responsibility of the Enterprise Networks and their Boards who will decide how to approach the delivery of the strategy and have a creative contribution in making policy and strategy happen.

This is a radical new approach. It will mean that the direction to the Networks will be based on the three key areas. The first task of the new Joint Performance Team will be to bring forward stretching targets to enable performance to be judged against the four challenges identified in each of the key areas of activity. Achieving a Smart, Successful Scotland will require Scottish Enterprise and Highlands and Islands Enterprise to be empowered to take a Network-wide view, whilst maintaining the flexibility of a de-centralised approach to implementation responsive to the needs of a particular locality. We have already announced the planned new status of Local Enterprise Companies to facilitate this, with particular emphasis on achieving greater efficiency and transparency. The new status of the Local Enterprise Companies, SEN 2000 and equivalent Highlands and Islands Enterprise reforms will allow the Networks to operate even more coherently, providing even more efficient, effective and consistent services to customers across Scotland, in a way which will achieve national priorities, yet is also sensitive to local needs and opportunities.

growing businesses, global connections, skills and learning

Raising the long run, sustainable growth rate of the Scottish economy

- Greater entrepreneurial dynamism and creativity
- More e-business
- Increased commercialising of research and innovation
- Global success in key sectors

Entrepreneurial dynamism

The Scottish business birth rate remains around 30 per cent below the UK average. This suggests a weaker entrepreneurial drive in Scotland, which is hampering our economic performance. The Networks have over the last ten years sought to improve understanding of the nature of this problem, and bring forward solutions. Much good work has been done, but the start-up gap remains stubbornly high and little different from that in the early 1990's.

So the challenge remains to be addressed. Our understanding of the causes of the start-up gap, and the recent downward trend in start-ups is improving. The Business Growth Fund and Business Mentoring Scotland are exciting new initiatives which will, across Scotland as a whole, address specific market failures and improve the prospects for new and growing businesses. Scottish Enterprise have commissioned an independent review of what more is required, and the need for greater entrepreneurial dynamism will remain at the forefront of the activities of the Networks.

Global success in key clusters

The cluster approach has improved interactions between the Scottish Biotechnology industry and its academic community. Scottish academia play a central role in the creation of the Biotechnology cluster and are very much part of the community as providers of intellectual property and knowledge, and centres of learning providing the staff and training and development facilities needed by a rapidly changing sector. They themselves have also taken a more commercial position through collaboration with indigenous and international companies.

- Biosolutions – an innovative e learning project is providing web based learning tools and auditing systems for specialist biotechnology staff development created in partnership with the University of Strathclyde.
- Four of Scotland's leading Colleges of Further Education have developed a consortium approach to provide cross-Scotland development of curriculum materials and specialist training facilities.

the priorities: growing businesses, global connections, skills and learning

Greater entrepreneurial dynamism and creativity

CHALLENGE: Scotland needs to re-establish its entrepreneurial drive for a new age, to increase the number of new businesses and growing businesses. Currently:

- the business birth rate remains below the UK average by around 30 per cent;
- in Scotland, 25% of the self-employed are women; (similar to the UK) but in the USA 38% of firms are owned by women;
- business starts amongst disadvantaged groups and amongst young people are also low.

LEVERS: A range of activities can enhance entrepreneurial dynamism, including competition, openness to the world economy, access to capital and the existence of other dynamic businesses. Where these pressures are weaker, the Enterprise Networks can foster an entrepreneurial culture by providing quality business advice and information, including to social economy businesses. We will shortly publish our plans for better support for social economy organisations.

More e-business

CHALLENGE: E-business innovation, in existing as well as new firms, offers us a major opportunity to modernise our economy. E-business not only improves the efficiency of existing structures and supply chains; in many cases it leads to a transformation in the nature of those industries. In the business to consumer area E-business can deliver the so-called “double win” from outsourcing work (and thus cost) to its customers and at the same time improving customer satisfaction.

LEVERS: Using business advice and support, to improve the awareness and take up of E-business amongst Scottish companies in order to accelerate business take up, accelerate supply development, create the right environment for change, and support the development of the right skills.

Increased commercialisation of research and innovation

CHALLENGE: Innovation and the commercialisation of new technologies are vital to boosting productivity. This will require:

- increased levels of research and development spending in Scottish companies, which currently lags well behind the UK average;
- more effective links between our universities and businesses, including the “industry pull” of ideas; and
- increasing the number of ideas being registered for patents in Scotland.

LEVERS: Joint work with higher education institutions and research institutes to assist our scientists to understand business and see their research successfully commercialised. Improving the capacity of our businesses to learn from, and innovate based on, scientific endeavour.

Global success in key sectors

CHALLENGE: We need to raise our productivity in all sectors, including manufacturing, building on strengths whilst helping address structural changes taking place in the economy. Working alongside the Enterprise department, the Networks can assist in restructuring sectors to meet changing global trading conditions e.g. textiles and shipbuilding. There are also key clusters where public participation could hasten the capture of value or Scottish leadership in that field e.g. biotechnology (including marine applications), opto-electronics, food and drink, and the creative industries.

LEVERS: Support for Scottish businesses and entrepreneurs. The Networks should work closely with the Scottish Executive to underpin the support for key sectors through Regional Selective Assistance and other programmes. In key clusters the Networks can foster growth and improvements in productivity. But a proliferation of cluster strategies will lead to dissipation of impact.

growing businesses, global connections, skills and learning

Ensuring Scotland is a globally connected nation

- Digital connectivity
- Increased involvement in global markets
- Scotland to be a globally attractive location
- More people choosing to live and work in Scotland

Digital connectivity

"Information and communications technology can reduce the constraint of peripherality and enable the development of a less geographically centralised economy ... there is real potential for the use of technology to make significant difference to many of the services and employment opportunities available to our rural communities."

From *The Way Forward: Framework for Economic Development in Scotland*

Encouraging people to live and work in Scotland

The promotion of Scotland is not only for businesses, but also for individuals – Scotland is a great place to live and work. This will be exploited through international networks and will feed into new initiatives such as the "Building International Networks" project. Also the continued attraction of higher value jobs to Scotland, such as those planned within Motorola's embedded software project, is critical as this in turn further attracts, and retains, high calibre people.

In the [Highlands and Islands](#), population growth in the last twenty years has been a key component of the area's resurgence. In remoter parts especially, growing population can help to stimulate economic development as well as be an effect of it, and the Highlands and Islands Enterprise Network will continue to encourage population growth as a means of regenerating rural communities.

the priorities: growing businesses, global connections, skills and learning

Digital connectivity

CHALLENGE:

Scotland can be a leading digital nation – not only a digital economy but a digital society. In so doing we would become one of the best places in the world from which to trade electronically. But success demands that Scotland is at the cutting edge of accessible, ubiquitous and competitive connections. This includes tackling the challenges of connectivity for more remote rural or disadvantaged urban locations and addressing digital exclusion.

LEVERS:

Collaboration by the Networks, the Executive and commercial players. The Networks will also promote on-line business models and help ensure that all Scots can benefit from emerging digital technologies. Their role will be as enabler, to ensure the widest possible dissemination of digital technology.

Increased involvement in global markets

CHALLENGE:

Many Scottish businesses urgently need to become more global in their outlook and operations. We need Scotland to show ambition and confidence, developing trading links, global alliances and strategic partnerships. We want to see the development of more global companies headquartered in Scotland, which make a substantial contribution to the economic and social development of the country. We currently have around half the number of global HQs in Scotland than some comparable countries, states and regions.

LEVERS:

The Networks should work closely with potential multinational players to help them develop and implement globalisation strategies. They should also work with exporters to help them better penetrate existing markets, access new ones and develop their capacity to become more competitive suppliers to overseas markets.

Scotland to be a globally attractive location

CHALLENGE:

Today, all capital – physical, financial and human – is increasingly mobile. Image, quality of life and environment all matter. Scotland needs to be a world class business location for the globalisation programmes of overseas and domestic companies. We need to tell the world about Scotland and tell Scotland about the world. Scotland must be the international location of choice both for currently Scottish-domiciled companies; and an attractive location for all others.

LEVERS:

Skills, competitive infrastructure including property, telecommunications, transport links and public sector support, are vital to attract and retain mobile direct investment projects. Achieving these conditions will require working with the public and private sector partners to improve Scotland's relative position. Mobile direct investment projects will increasingly be targeted to contribute to the sustainable growth and innovation levels of our knowledge-intensive industries, as well as those which can make a more immediate contribution to employment growth.

More people choosing to live and work in Scotland

CHALLENGE:

Scotland's demographic trends are not on our side; falling population and continuing migration of many talented people does not assist economic development. Many areas have benefited from measures to address population decline, including in the Highlands and Islands. We need to offer the jobs to encourage the young to stay and the more experienced to return. The wider economy benefits from the infusion of talent in global companies, whether home-grown or from abroad.

LEVERS:

Tapping into the network of Scots around the world, whose continuing interest in and love for Scotland – our quality of life, our vibrant culture and sporting traditions – could be harnessed for everyone's benefit. And we should also encourage others new to Scotland to consider a future living and working here.

growing businesses, global connections, learning and skills

Raising the employment rate across Scotland

- Improving the operation of the Scottish labour market
- The best start for all our young people
- Narrowing the gap in unemployment
- Improved demand for high quality in-work training

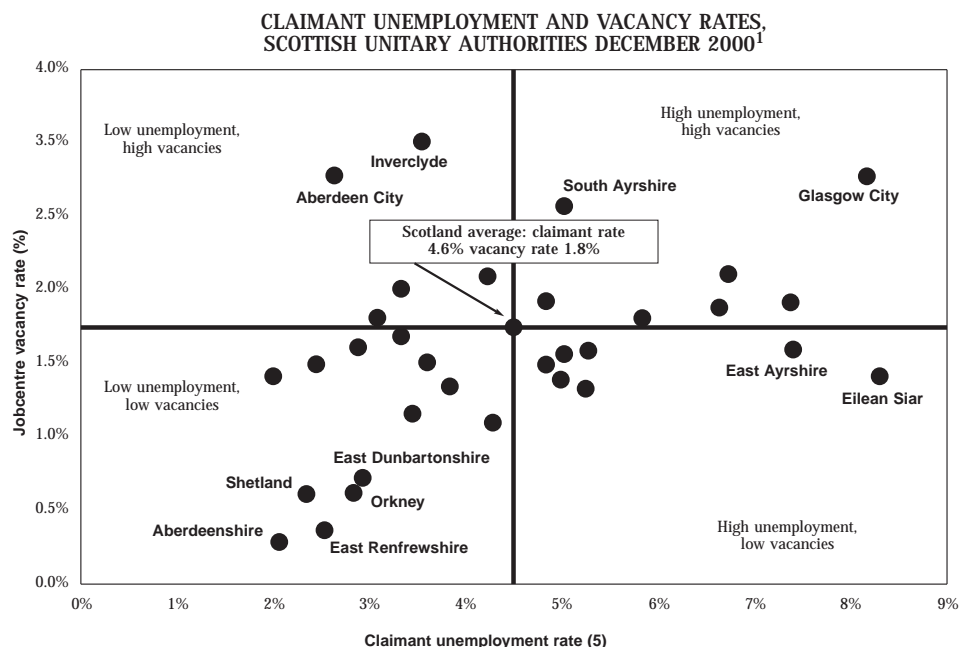
Narrowing the gap

The labour market challenge is different across Scotland.

The **Edinburgh and Lothian** labour market is currently strong, and has a fast growing number of vacancies. The challenge here is emerging skills shortages, especially in financial services. Nevertheless, this prosperity is not shared by all: the unemployment rate in Wester Hailes, Muirhouse, and Craigmillar is more than double the Scotland rate, and more than three times that of Edinburgh as a whole. **Glasgow**, also is experiencing high unemployment and high vacancies, simultaneously. The challenge must be to spread prosperity within our cities.

Through our Future Skills Unit understanding employer's needs better, Careers Scotland offering all Scots advice and *learnirect scotland* getting them the training they need we can look forward to putting skills and learning at the heart of our economic development services.

There have been important successes. **Fort William** was an unemployment blackspot in the 1980's, but the impact of continuous local job creation over a period of time has led to the development of key sectors such as food processing. Unemployment is now 2.5% with emerging labour shortages.



¹Source – Scottish Executive Data

the priorities: growing businesses, global connections, learning and skills

Improving the operation of the Scottish labour market

CHALLENGE:

The capacity to respond rapidly to the current and future needs of the Scottish labour market is critical to success in an age of lifelong learning. We must foster an environment where people can invest in their own educational achievement. Those economies most adept at matching supply and demand in the labour market will possess a key competitive advantage. Scotland currently faces significant skills shortages in IT/electronics, financial services, construction, engineering, hospitality/tourism, call centres, oil and gas and basic management skills and skills to enable potential entrepreneurs to run their own businesses.

LEVERS:

Creating a one-stop, all-age Careers Advice Service and for learning opportunities through *learndirect scotland*. Creating a new *Future Skills Unit* to develop a more efficient and competitive labour market. It will understand the needs of employers and take advantage of the Web to overcome the information gaps that bedevilled many past efforts at better labour matching.

The best start for all our young people

CHALLENGE:

Young people at school should be equipped with the skills they need to make the most of lifelong learning opportunities. They should be encouraged to develop the attitudes that will enable them to prosper in the adult world. Young adults entering the labour force need to have access to high quality learning and skills development. We need to offer vocational and high level technical and IT skills at a comparable level to international competitors. The recent Scottish Social Justice Annual Report demonstrated we need to do more to reduce the number of young people not in work, education or training.

LEVERS:

We have included the development of the skills, attitudes and expectations necessary to prosper in a changing society as part of the set of national priorities which inform the development of school education. We have begun to address the institutional clutter and provided extra resources to assist the most vulnerable. We must better support 16 to 19 year olds. We will meet our target of 20,000 Modern Apprenticeships and refine the range of schemes to support young people to stay at school to gain additional qualifications, and to pursue learning opportunities and skills training tailored to their needs.

Narrowing the gap in unemployment

CHALLENGE:

The New Deal has made a substantial contribution, along with macroeconomic stability to tackling unemployment. Yet unemployment and employment rates continue to differ not only between regional labour market areas but also vary sharply within them. Pockets of unemployment, reflecting multiple deprivation, co-exist with areas of significant opportunities. The number of unemployed claimants in Scotland at present (112,000), nearly matches the likely number of vacancies (100,000).

LEVERS:

We must ensure that the delivery of training is responsive to new demands. Recognising the special needs of disabled, ethnic minorities, disaffected and disadvantaged members of the community. Narrowing the unemployment gap is a demanding objective, which is at the heart of our approach to social justice and our commitment to restoring full employment. This means ensuring the basic employability of all of our people, requiring a multi-agency response, with the Networks working in partnership.

Improved demand for high quality in-work training

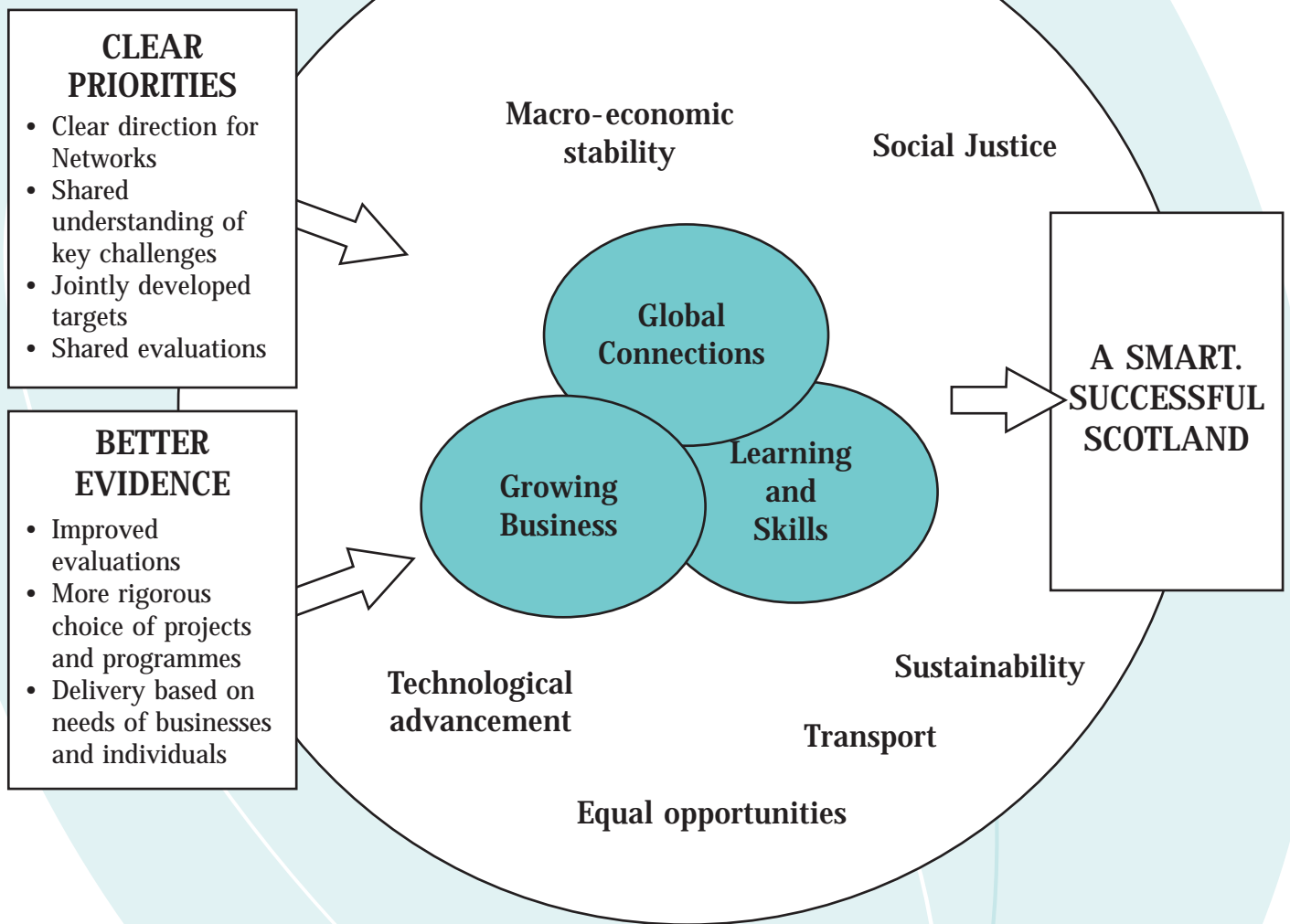
CHALLENGE:

Scotland has a weak record in workforce training. People and organisations must increasingly take responsibility for their own learning. The Networks can support employers in skills improvement, help ensure the availability of appropriate training opportunities and collaborate with new *learndirect scotland* in the promotion of Individual Learning Accounts.

LEVERS:

In order to achieve this, the Enterprise Networks must foster an entrepreneurial and a lifelong learning culture for all Scots from our school days on. Through collaborations with *learndirect scotland*, Careers Scotland, the Employment Service, National Training Organisations, employers and further and higher education (building on the recent joint report on Lifelong Learning by the Networks and the Education Funding Councils) to deliver an improvement in the long term employability of Scots and our national competitiveness, including stronger management and leadership capabilities able to rise to the challenges of rapid change.

the implications



the implications

The approach and priorities set out above have important implications for the Enterprise Networks. They will operate to tougher standards and there will be an expectation of higher returns and increased effectiveness and efficiency. They imply:

- **Clear direction** from the Executive to the Networks;
- **Shared understanding** of the economic context and key challenges;
- **Jointly developed targets** to drive their activities;
- **Shared evaluations** to establish what works;
- **Reconsidered priorities and budgets** to re-focus where necessary.

The implications are that in some areas the Executive will ask Networks to do more.

- **Skills and learning.** A renewed priority for skills and learning with the proposed alignment with Careers Service Scotland, *learnirect scotland* and the development of the new Scottish Future Skills Unit. Scotland will have economic development agencies with the prospects for human capital at their heart.
- **Digital connectivity.** Without key infrastructure, and e business skills Scotland's businesses will be seriously competitively disadvantaged and people excluded. And to tackle digital exclusion we plan the introduction of digital champions for disadvantaged areas.
- **Positioning Scotland on a world stage.** Through effective promotion of our businesses and people and maximum learning from abroad.

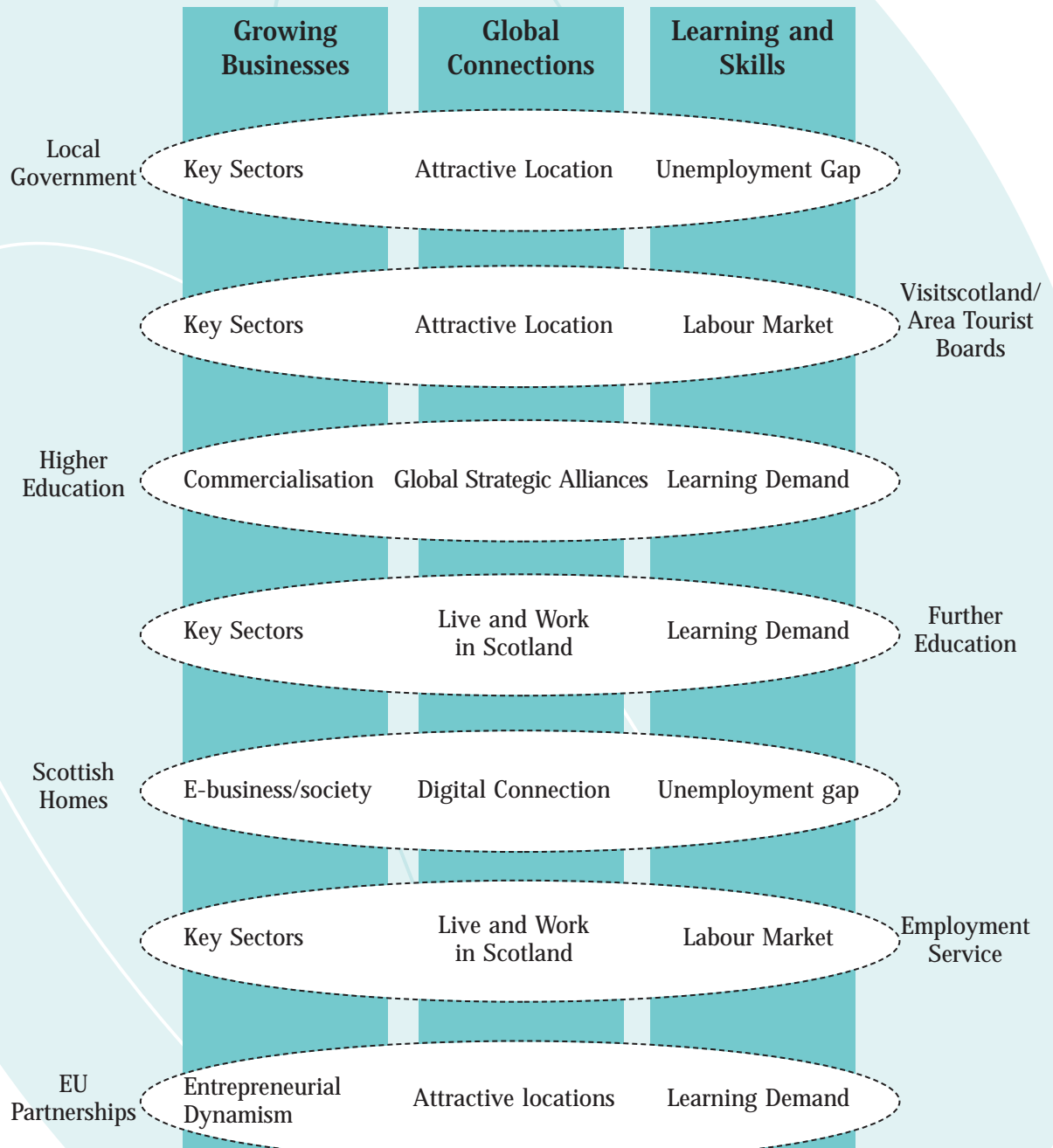
Under Setting Priorities we identified areas where the Networks could decide to do less. A key task of the Joint Performance Team will be to ensure high standards of appraisal and evaluation to ensure that all activities contribute effectively to the achievement of this vision.

Organisational reform

The Networks are undertaking a programme of reforms, arising in part from the Enterprise Network Review. Scottish Enterprise are undertaking a process of management reform, entitled SEN2000 and Highlands and Islands Enterprise has been pursuing change through an "Evolving the Network" process including the establishment of an office in the Western Isles. The SEN 2000 reforms and the further business transformation that is underway will help ensure that the Networks operate consistently, coherently and transparently across Scotland to achieve maximum value for money – operating as one Network that is acting in the best interests of Scotland, yet in a way which is sensitive to local needs and opportunities. These reforms need to be fully implemented to pave the way for the changes outlined in this strategy and the respective Boards have a key leadership role here.

strategic partnerships

Examples of connections between partners and the strategic priorities where making the links is vital for success.



strategic partnerships

Success will require a co-ordinated and Network-wide approach, including better liaison between the Executive and the Networks and a variety of other actors. There will also be a series of important policy linkages.

Policy Linkages

Networks strategies should reinforce the Executive's wider strategies and work in harmony with the wider policy landscape. The Networks, who will be familiar with the Executives' initiatives for the Knowledge Economy, Digital Scotland, Lifelong Learning and Science, should also be particularly aware of impacts on cross-cutting Executive strategies for:

- Social Justice;
- Sustainable development;
- Equal opportunities;
- Rural development; and
- Transport.

Partnership working

The Networks need to be effective partners within the wider institutional landscape, working collaboratively with other organisations both at national and local level. At local level Local Economic Forums will provide a key co-ordinating vehicle for more effective partnership in the field of economic development services. But at every level we wish to see a more streamlined approach, with one-door approaches and web enabled services providing a more customer focused interface wherever possible. Key initiatives to promote effective partnership working include:

- **The proposed creation of Careers Scotland** and its strategic alignment with the Networks to provide a one-door, all-age careers and skills advice;
- **Joint working with local government** through Local Economic Forums and co-operation with the community planning process;
- **Joint working with the Scottish Tourist Board and Area Tourist Boards**, especially on selling Scotland abroad, skills issues, and the joint evaluation of local visitor attractions;
- **Joint working with Scottish Homes**, including optimising synergies between economic development and community development, and joint working on social economy initiatives;
- **Joint working with Scottish further and higher education**, *learndirect scotland* and training providers and regular liaison with the Chief Executives and Chairmen of the Enterprise Networks and the Scottish Further and Higher Education Funding Councils;
- **Effective working with local authorities and schools** to ensure a shared understanding of the needs of young people and the key drivers for the development of the skills, attitudes and expectations they should develop;
- **Effective working with public, private and social economy organisations** in priority disadvantaged areas, especially Social Inclusion Partnerships;
- **Effective working with the European Partnerships** to harness and maximise economic development benefits from EU Structural Funds; and
- **Effective working with trade unions, voluntary organisations and employer bodies.**

The timetable for implementation of the strategy includes the following milestones:

February 2001

Joint Performance Team operational

June 2001

Global Connections Strategy published

July 2001

New Future Skills Unit in place

July 2001

Publication of targets by the Joint Performance Team

March 2002

Alignment of Careers Service Scotland and the Enterprise Networks

The information in this publication is available free of charge in Braille, audio tape, Urdu, Punjabi, Bengali, Arabic, Chinese and Gaelic by phoning 0141 242 5781

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