

## Response to Call for Evidence on the Scottish Government Enterprise and Skills Review



### RESPONDENT INFORMATION FORM

**Please Note** this form **must** be returned with your response.

Are you responding as an individual or an organisation?

- Individual
- Organisation

Full name or organisation's name

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The Scottish Government would like your permission to publish your response. Please indicate your publishing preference:

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We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this exercise?

- Yes  No



# ENTERPRISE AND SKILLS REVIEW – CALL FOR EVIDENCE

Response by SURF – Scotland's Regeneration Forum

## Personal experience

1. *Have you had direct interaction with enterprise or skills advice or support?*

Yes

2. *Tell us briefly about your experience:*

- *What were you trying to access?*

Support towards the upgrade of our IT systems and advice on digital communications.

- *Through whom and when?*

Via Business Gateway in Glasgow in 2008.

- *What was your experience?*

Some success – we received some useful advice and a small grant towards the upgrade.

- *What worked well and less well?*

The quality of the advice was generally useful, but the process of obtaining it took a number of months and we had to pro-actively chase Business Gateway representatives for updates at several stages when deadlines were not met.

- *How did you find the quality, ease and speed of service?*

Initially good, but the speed of service was lacking.

- *What did you think of the cost or value of the service?*

The service was provided at no cost to SURF as part of a local social enterprise support programme.

3. *If you have not used such services can you outline why this is the case?*

N/A

## Reflections on the system of support

4. *What do you see as the strengths and weaknesses of the current approach?*

Beyond SURF's limited engagement with enterprise support agencies as a small business client (as referred to above), SURF has a substantial interest in the economy and enterprise in its role as Scotland's Regeneration Forum. In considering economic structures and approaches, SURF's main concern is that poverty and inequality are adequately recognised and addressed as the main drivers of degeneration; and therefore the main drag on shared aspirations for a successful economy operating, as far as is reasonably possible, to the benefit of all sectors, geographies and demographics.

Through extensive interactions with its broad-based membership over recent decades, and especially since the economic crash of 2008, SURF shares the Scottish Government's expressed view that the 'trickle down' economic theory has demonstrably failed. The post-crash austerity economic agenda, which continues to be pursued in muted forms by the present UK Government, has further exacerbated the already daunting challenges facing people and businesses in places distanced from remaining centres of viable market-led activity.

The economic perspective that SURF has developed from its extended cross-sector interactions was set out in its 2016 Manifesto for Community Regeneration in advance of the May 2016 Scottish Parliament elections. The thinking behind this well-received document has been recently consolidated via SURF's involvement an informal group of economic academics and activists that have agreed to cooperate in promoting an alternative economic approach.

In cooperation with those colleagues, SURF advocates the necessity of a changed course in Scotland's economic aspirations, towards a more sustainable and equitable economic model, which is more likely to achieve the Scottish Government's aspirations for a fairer and more successful Scotland. The general aims

of this model, which Scotland's Enterprise and Skills agencies could do more to align their activities with, would include:

- Rebalancing the economy towards more productive and high-pay activity and away from speculative, rent-seeking and low-pay work;
- Rebalancing the economic benefits of the economy to be more evenly spread across geographical areas, particularly towns and rural areas and areas of cities facing multiple deprivation issues;
- Achieving more economic equality and lower pay differentials, particularly with the aim of seriously tackling poverty and insecurity;
- Refocusing the economy on more socially and environmentally positive activities and away from the short-term profit motives that create social and economic harm;
- Working towards a much more democratic economy, both in terms of the role of workers in shaping their workplace, but also in terms of the role of government and public agencies to intervene in the economy for the broader public good;
- To emphasise concepts such as productivity, long-term investment, skills growth, higher wages and smart specialisation over concepts such as private profit maximisation, monopoly and cartel practices, and the financialisation of the economy.

The conventional (though highly variable) private sector business model is likely to remain the dominant form of enterprise in Scotland. However, the social enterprise model is rightly the focus of increased interest and investment by the Scottish Government and its agencies as being well-placed to deliver the broadly shared aspirations listed above.

##### *5. What needs to change in the current system of support to make it simple and clear, and help us deliver Scotland's vision?*

As we stated in our 2016 Manifesto for Community Regeneration, SURF activities highlight a widespread admiration across the regeneration sector for the consistently holistic approach of Highlands and Islands Enterprise in driving people-centred regeneration and sustainable economic development activities in the north and north-west of Scotland. The agency's approach is notable for prioritising local assets and identity of place, and for close and effective collaboration with partners of all sizes, including local authorities, social enterprises, and community groups.

Outwith the Highlands and Islands, however, there are concerns that rural and semi-rural regeneration issues do not receive the same rounded approach through enterprise support mechanisms. This position is supported by research from Scotland's Rural College's Rural Policy Centre, which has identified a need in the post-2008 Scottish economy for rural issues to be addressed more strongly at a national policy level.

The main regeneration functions of Scottish Enterprise are targeted at supporting already successful businesses and large-scale infrastructure as well as renewable energy initiatives. This results in comparatively less focus on economically vulnerable small towns and rural areas in, for example, the regions of North Ayrshire and Dumfries and Galloway.

The Scottish Government should explore the possibilities of reproducing the largely successful approach of Highlands and Islands Enterprise in the socially and economically challenged rural parts of the rest of Scotland. This may involve refocusing the regeneration functions of Scottish Enterprise, or extending the geographical remit of Highlands and Islands Enterprise, or establishing a new regional enterprise agency.

*6. What are the right: roles; services; skills; behaviours; needed from our agencies to support this transformation?*

SURF is concerned that previous restructuring of regeneration agencies has unbalanced enterprise and regeneration support roles in recent years. In the 2007-11 Scottish Parliament term, the Communities Scotland national housing and regeneration agency was dissolved and local regeneration responsibilities, originally held by Scottish Enterprise, were devolved to local authorities. These changes had some merit in terms of subsidiarity, but as we argued in our response to Q5, the current situation is unbalanced with regard to the roles and responsibilities of Scottish Government enterprise agencies. Geographies covered by Highlands & Islands Enterprise benefiting from the agency's broader social/economic purpose as compared with the rest of the country.

The reintroduction of the balance of important responsibilities around the social and economic regeneration of Scotland's less affluent communities, which were held pre-2008 by Communities Scotland and Scottish Enterprise respectively, should be reconsidered. This would further support activities led by local authorities and their partners. Support structured towards achieving the economic aspirations listed in our response to Q4 should also be adequately balanced and resourced to address rural and semi-rural contexts, as well as city and city-region ones.

SURF is supportive of the Scottish Government's Social Impact Pledge initiative. It asks public bodies in Scotland to "commit to increasing their social impact by making a public commitment to changing three aspects of their current operations or policies". SURF is keen that the skills and enterprise agencies maximise their social remits and welcome this initiative, which can help to encourage a practical and committed response.

*7. How might we ensure this step-change reaches and benefits all of Scotland, building on regional and local strengths?*

In addition to enhancing the already largely successful role of Highlands & Islands Enterprise across all of rural and semi-rural Scotland, the Scottish Government could instruct Scottish Enterprise to place social regeneration challenges and assets alongside economic ones. Its present approach is too narrow in its support for existing successful businesses – an approach that could be interpreted as a classic 'trickle down' model.

With regard to local services, SURF is keen to see enterprise and skills agencies undertake creative and flexible engagement tailored to the distinct realities and assets of different places in what is a diverse country.

*8. How would we know if the system is working better?*

Evaluation measures that record changes in social as well as economic data would broaden the scope for tracking impact and aligning with the Scottish Government's Social Impact Pledge. Independent surveys that assess the value, speed and appropriateness of information and support provided to service users would also provide a basis for recording effectiveness.

*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?*

The enterprise and skills agencies should continue to explore opportunities for strategic collaboration, and avoidance of potential duplication, through national and local forums such as the Scottish Employability Forum and Community Planning Partnerships.

SURF's [Alliance for Action programme](#), supported by the Scottish Government and Highlands & Islands Enterprise, aims to enhance wider policy and resource considerations for supporting community regeneration in the current context. It is drawing out useful learning on how strategic collaboration can be achieved and further enhanced at the local level.

*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?*

SURF's 2016 Manifesto for Community Regeneration provided nine 'bold and practical' policy recommendations to the Scottish Government based on two interlinked themes of addressing poverty and supporting place-based regeneration.

A number of these recommendations and the additional supporting evidence, including a call for a new Regeneration Strategy for Scotland and a realignment of the Community Planning system, are relevant to the enterprise and skills review. A link follows below:

<http://www.scotregen.co.uk/projects/2016-manifesto/>

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*End of SURF Response to the Scottish Government's Evidence and Skills Review Call for Evidence*

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