

ANNUAL REPORT

2019-2020

scdi Scottish Council
for Development
and Industry



FROM THE CHAIR



COP26 in Glasgow and COP15 in Kunming offer the possibility of further international agreement but it will be delivery in each country that will be critical.

Ian Wall, Chair, SCDI

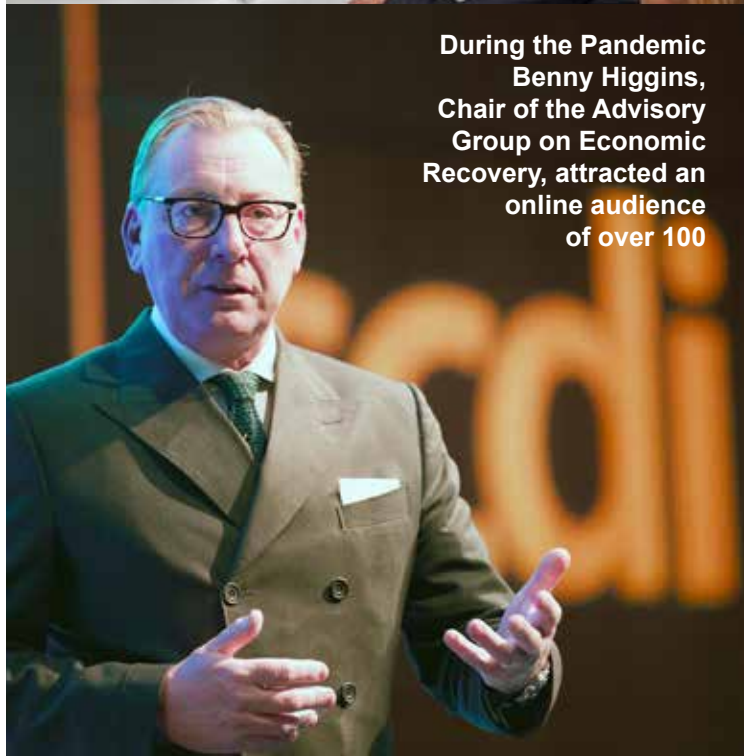
Much has changed since our inception 90 years ago. We no longer build industrial estates, organise international exhibitions, have offices in North America to expand our exports, or run trade missions across the world. That work we pioneered and delivered for decades blazed the trail that others have followed and many of these responsibilities have rightly been taken on by government.

It might be said also that much has not changed; we were established in the face of the 1930s depression, brought about by uncontrolled speculation. Fast forward to the 2000s and again, uncontrolled speculation brought about another severe depression – the difference is that we now face a crisis of existence brought about by uncontrolled growth that has maximised solely profit at the expense of the planet and our common good.

The troubling weather events of recent times are harbingers of what is to come if there is not rapid action to reduce carbon production dramatically and substantially invest in the restoration of biodiversity. The urgency and difficulty of this task is underlined by carbon production worldwide increasing every year, regardless of the scientific advice going back decades and previous agreements such as the 2015 Paris Accords.

COP26 in Glasgow and COP15 in Kunming offer the possibility of further international agreement but it will be delivery in each country that will be critical. The changes required need to be deep, sustained and, as it means that 'business as normal' is not possible, there are going to be difficulties that can be only overcome by civic agreement. As Scotland's leading civic body this is a key role that we can play in finding solutions that, if not universally welcome, are acceptable and that ensure that the urgent changes required benefit all in general and bring no disbenefit to some.

Our members continue to demonstrate the same vision, energy and practical delivery that our founders displayed. Your continuing contribution ensures SCDI helps to shape government and industry thinking and to deliver practical action addressing social and business challenges including low productivity and the need to inspire the next generation of scientists and engineers. Our work remains vital to the delivery of a safer, healthier and more equitable Scotland in which all life can flourish.



**During the Pandemic
Benny Higgins,
Chair of the Advisory
Group on Economic
Recovery, attracted an
online audience
of over 100**



Fiona Hyslop, MSP
Cabinet Secretary for
Economy, Fair Work
and Culture
Policy Committee
30 April 2020



Nadhim Zahawi MP,
Parliamentary Under
Secretary of State
for Business and
Industry
Policy Committee
20 April 2020



Michelle Ballantyne
MSP, Convener of the
Economy Energy and
Fair Work Committee
Meet the Politician
26 June 2020



Darren Jones MP,
Chair of the Business,
Energy and Industrial
Strategy Committee,
Meet the Politician
20 July 2020

Alister Jack MP,
Secretary of State for
Scotland
Members' Roundtable
5 August 2020



Rt Hon. Alok Sharma
MP, Secretary of State
for Business, Energy
and Industrial Strategy
Members' Roundtable
5 August 2020



Mike Russell MSP,
Cabinet Secretary
for the Constitution,
Europe and External
Affairs
Members' Roundtable
13 August 2020



Douglas Ross MP,
Under-Secretary of
State for Scotland
Policy Committee,
20 April 2020

SHAPING THE DEBATE

Covid-19 and the impact of the UK's exit from the EU dominated the second half of the year with SCDI participating in daily and weekly meetings with both governments to reflect members' concerns and shape government support.

The invitation to give evidence to parliamentary committees on 5 separate occasions reflects the continued quality and relevance of our consultation responses, whilst our members' expertise and constructive approach ensures we remain a trusted voice.

In addition to our own thought leadership work SCDI collaborated with key stakeholders to inform thinking through our participation in events, initiatives and reports:

- SCDI CEO Sara Thiam contributed to the Infrastructure Commission for Scotland

In addition to those pictured left: Kevin Stewart MSP, Minister for Local Government, Housing and Planning spoke at an Influencers' Dinner 25 November 2019. Titles current for the reporting period of 2019-2020.

[Key Findings](#) and [Delivery](#) reports as an independent Commissioner

- President Shonaig Macpherson informed the development of the Youth Guarantee as part of the advisory group helping steer the work under Sandy Begbie's Chairmanship
- SCDI worked with the Climate Emergency Response Group (CERG) to inform [Immediate Actions](#) and [Funding](#) reports giving evidence in meetings with the Cabinet Secretary for Environment, Climate Change and Land Reform, Rosanna Cunningham MSP
- We took part in the Scottish Government Sustainable Renewal Advisory Group
- Collaborated on the UK Government's Economic Development Taskforce: Levelling Up

CEO, Sara Thiam shared a platform with industry leaders, experts and government ministers and officials at the following events:

- The SNP Party Conference in Aberdeen
- Rail Delivery Group and World Wildlife Fund Fringe events
- Borders College STEM Launch
- Downing Street Burns supper
- Wellbeing Alliance Allies Dinner hosted by the Moderator of the Church of Scotland
- Scottish Power's Race to Net Zero Event
- Homes for Scotland Annual Conference
- Scottish Government Mission Zero Business Summit
- The Aberdeen X-Industry Support Network (AXIS) Event with Caroline Criado Perez and Judge at Shell's Girls in Energy Conference
- Judge in the RSPB's Nature of Scotland Awards
- SLAED (Scottish Local Authority Economic Development Group) Annual Conference

BUILDING SCOTLAND'S GREEN RECOVERY

CLEAN GROWTH LEADERSHIP GROUP



Our mission has only become more essential and urgent with the Covid-19 crisis.

**Building Scotland's
Green Recovery**



The world of work is changing - and Scotland must change with it.

Upskilling Scotland

Upskilling Scotland

The Future of Skills and the Fourth Industrial Revolution

SCDI's Skills & Employability Leadership Group | January 2020



THOUGHT LEADERSHIP HIGHLIGHTS

New Scottish and UK government initiatives which reflect recommendations from SCDI reports during this period include:

- £100m Green Jobs Fund
- £60m Youth Guarantee
- £25m National Transition Training Fund
- Expanding Community Wealth Building strategies
- Accelerated funding for energy efficiency and domestic retrofit programmes
- UK [Green Jobs Taskforce](#) to advise on green jobs and reskilling workers

Other positive developments include:

- The reform of the Flexible Workforce Development Fund with extended eligibility, increased funding and raised ceiling
- Scottish Government's Careers Strategy echoed recommendations from our Upskilling Scotland report including up-to-date advice, technology trends and improved industry links
- The shaping of UK and Scottish economic recovery plans to reflect net-zero and biodiversity opportunities including the work of the [Advisory Group on Economic Recovery](#) led by Benny Higgins
- An increase in provision of bitesize and flexible learning by colleges and universities

BUILDING SCOTLAND'S GREEN RECOVERY

Our [Building Scotland's Green Recovery](#) report laid the groundwork for December's **Clean Growth Manifesto**, which identified opportunities in the transition to net-zero.

The report called for government, employers, workers, citizens and communities to work together to tackle the climate emergency with the same urgency as we responded to the public health emergency Covid-19 presented. Our plan had 12 big ideas for kick-starting the Scottish economy, creating new green jobs and accelerating our progress to net-zero including a large-scale green stimulus to target investment in buildings retrofit, low and zero carbon transport infrastructure, nature-based solutions and digital connectivity.

Our **Clean Growth** policy work was overseen by 16 SCDI members.



The **Clean Growth Leadership Group** evolved the January 2020 [Statement of Vision and Principles](#) to a two-stage plan for Scotland's green recovery from the pandemic.



UPSKILLING SCOTLAND

THE FUTURE OF SKILLS
AND THE FOURTH
INDUSTRIAL REVOLUTION

Technological change is transforming our economy and our society.

The Fourth Industrial Revolution, characterised by breakthroughs in technologies such as automation, artificial intelligence (AI), digitisation and 'big data', is disrupting the world of work and changing the skills Scotland needs to compete and thrive on the global stage. Our [Upskilling Scotland](#) report, published in January 2020, explored these changes and underlined the need for a paradigm shift in how employers, workers, educators and government invest in learning to keep pace with change.

The impact of our report on informing government responses is testament to SCDI's continued influence in the skills space.



The Skills & Employability Leadership Group, set up in January 2019, considered the challenges and opportunities the Fourth Industrial Revolution presents.

A High Performing
Scottish Economy
in the Fourth Industrial Revolution



**High
Performing
Individuals**
People with
the skills to
compete and
thrive



**High
Performing
Workplaces**
Teams with
the skills to
compete and
thrive



**In-Work
Development**
Reskilling,
Upskilling,
Work-Based
Learning and
Lifelong
Learning for
People
and Teams



What People Say

Good to see representation
from right across Scotland.

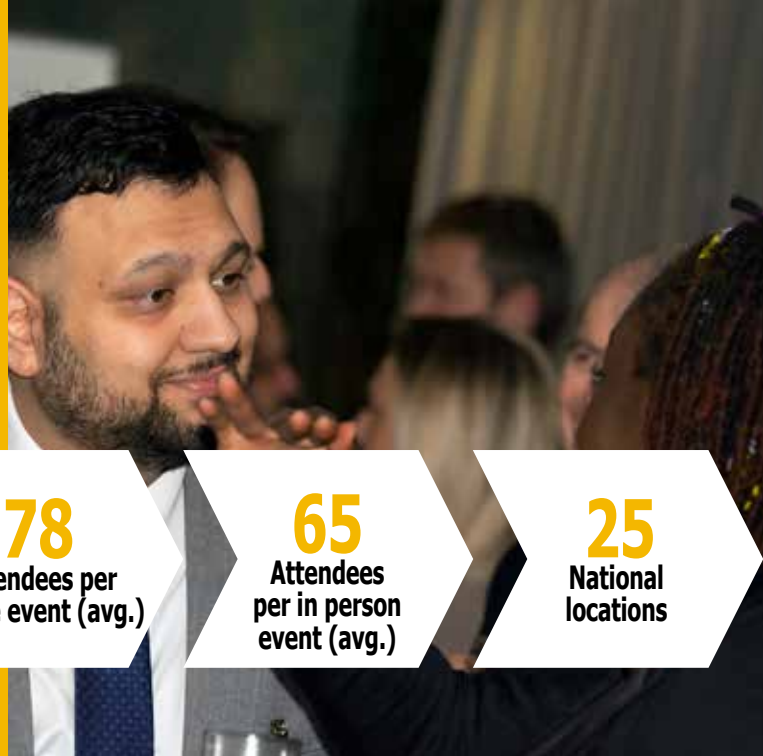
3143
Attendees

94
Authoritative
speakers

78
Attendees per
online event (avg.)

65
Attendees
per in person
event (avg.)

25
National
locations



What People Say

Covered a multitude of sectors
with some excellent ideas and
points to consider.

Thank you - appreciate all the
organisation's efforts in hosting
seminars such as this.

Very comprehensive, honest
and informed - no waffle!

EVENTS

20% INCREASE IN PARTICIPATION*



One of the benefits members enjoy is the opportunity to grow and learn from others, and our activity is always designed with members' continuing professional development in mind.

Our Scotland-wide events programme reflects innovative thinking and best practice in sustainable economic growth from around the world, creating a unique space where leaders from the public, private, and not for profit sectors can meet decision makers and be informed and inspired.

We acted quickly to minimise the effect of the pandemic on member engagement, organising our first online event just three weeks post lock-down.

The use of digital platforms provided a space for members to share new thinking and provide much needed support to hard-hit colleagues.

Pivoting to online delivery enabled us to showcase innovation happening all over Scotland and improved engagement with members right across the country. Events were recorded to enable members to access post event if they were unable to attend.

We learned fast and were able to reintroduce networking with the adoption of new and innovative digital platforms for our flagship events and Productivity Clubs.

*from physical to digital



What People Say

Interesting mix of speakers.

Good use of time to focus on issues and share perspectives.

Thanks for organising - in these difficult times it is good to be kept in the loop.

EVENTS

Thank you to
our speakers,
a few of whom
are pictured

Steve Phimister, Vice
President & Director
Shell UK & Ireland,



Paul de Leeuw,
Director Energy
Transition Institute,
Robert Gordon
University



Alison Kerlogue,
Subsurface Technical
Resource Manager,
Lloyds Register



Ariel Flores,
Regional
President BP

continental shelf; energy transition; the role of smaller operators in the North Sea and decarbonisation of air travel and Scotland's access to international markets.

- **Meet the Politician** Members got the chance to put their questions to:
 - Michelle Ballantyne MSP
 - Darren Jones MP
 - Kevin Stewart MSP
- **Flagship events** SERCO Chief Executive, Rupert Soames OBE delivered the **Aberdeen Lecture** to an audience of 250 at the Marcliffe Hotel. He shared actions taken to turn Serco around and reflected on the performance of their Caledonian Sleeper service and NorthLink Ferries' route to Orkney and Shetland.
- **Policy Committee** continued to attract senior politicians including the Parliamentary Under-Secretary of State for Industry, Nadhim Zahawi MP, the Cabinet Secretary for Economy, Fair Work and Culture, Fiona Hyslop MSP and Ivan McKee MSP, Minister for Trade, Investment and Innovation.
- **Online event** on Economic Recovery attracted an audience of over 100 to hear from Benny Higgins, Chair of the Advisory Group on Economic Recovery.

All titles reflect the reporting period of 2019-2020.

MSP and MP portfolios are listed on page 4.



SERCO Chief Executive,
Rupert Soames OBE with
Sara Thiam, CEO, SCDI



Deirdre Michie,
CEO,
Oil & Gas UK



Steve Dunlop,
CEO, Scottish
Enterprise

INCREASING SCOTLAND'S PRODUCTIVITY

Productivity Club Scotland is a great example of how SCDI acts to address challenges faced by the Scottish economy. The Clubs started as a Scottish Government supported pilot to address Scotland's low productivity through peer-to-peer learning.



1400+
MEMBERS

Organisations who have improved their productivity share their experience to help others do the same. The idea emerged from our 2015 Blueprint and launched in 2019 with meetings in Glasgow and Edinburgh, expanding to cover North-East Scotland, Highlands and Islands and South of Scotland later in 2020.

We continued to deliver our events online throughout the pandemic, including a successful online conference. Monthly events across Scotland have impacted positively on business behaviour.

The new format ensured excellent take up, and we followed this series with an innovative virtual productivity conference, on a digital conferencing social networking events platform.

30
EVENTS





Ivan McKee MSP, Minister for Trade, Investment and Innovation, joins in the peer to peer conversation at the club launch



I have been able to connect with like-minded people, focus on my professional development and help my clients.

**Jacqueline McGregor,
CEO JM Potential**

The Productivity Club lived up to its name. I have been inspired about how to improve my own organisation and have made partnerships that have developed our business.

Euan Cameron, CEO Cohesion

Club Themes:

- Leadership and management
- Fair work
- Net zero
- Utilising data and technology
- Youth employability
- Business processes and strategy
- Employee engagement and wellbeing
- Organisational culture
- Exporting
- Investment and funding

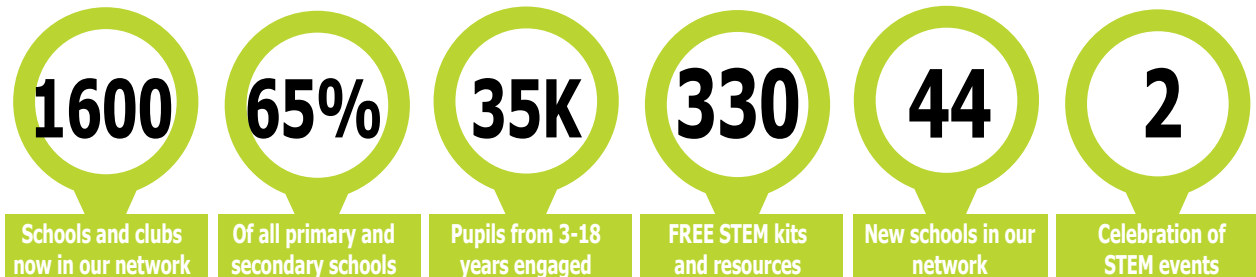
INSPIRING THE NEXT GENERATION OF YOUNG ENGINEERS AND SCIENTISTS

Engineers, scientists, mathematicians, and people with technological skills and know-how are vital to Scotland's economic success.

They will transform lives for the better and find the solutions to the challenges and opportunities which climate change and digital transformation present. The scale and pace of disruption means the need to enthuse and attract the next generation of innovators and problem solvers to our employers is even greater now than when we established our Young Engineering and Science Clubs (YESC) in 1987. Working in partnership with our members, our schools outreach team

provide support for teachers and business and industry alike. They develop and deliver hands-on activities which help young people understand the challenges and involve them in creating the solutions. In a year where those furthest away from the labour market suffered disproportionately, our team focused their efforts on areas of social deprivation and rural isolation as well as underrepresented groups in the Science Technology Engineering and Maths (STEM) careers including girls and young women.

Our activities bridge the gap between school and the world of work and provide members with the opportunity to attract talent to your business.





DELIVERY PARTNERS

5 competitions as national delivery partner of the VEX IQ programme.
3 regional heats for 50 schools in Engineering UK's EEP Robotics.

Barefoot



VEX IQ



The Big Bang
UK Young Scientists & Engineers
Competition

EEP Robotics
Challenge

EngineeringUK

ENERGY
QUEST

ASSOCIATE PARTNERS

Balmoral
Bristow
CityFibre
Chrysaor
Crown Estates Scotland
Oighreachd a' Chrùin Alba
Digital Xtra Fund
Dumfries House

Equinor
Incremental Group
The Institution of
Engineering and
Technology
Institution of Mechanical
Engineers
IOP Institute of Physics

Lloyd's Register
Royal Society of
Chemistry
Scottish Power
Total
Vattenfall
Vex Robotics

LEAD PARTNERS



EngineeringUK



wood.

PRINCIPAL PARTNERS



Falck
Renew
ables



Crown Estate
Scotland
Oighreachd a' Chrùin Alba
IOP Institute of Physics

Little
Lighthouse

digitalXtra
Fund

Falck
Renew
ables

NEW!



wood.

NEW!



SCOTTISHPOWER



Sara Thiam, CEO,
SCDI, speaks at
Borders College

“ As we move from responding to Covid-19 to building back better, the importance of partnerships across public/private and local/national boundaries has never been greater.

Sara Thiam, CEO, SCDI

BACK TO THE FUTURE

The pandemic has shown us what can be achieved when organisations across the public, private and third-sector align behind a common goal and shared values. SCDI is unique in uniting all three for an economy which enables people and nature to flourish.

WW2 was invoked by many at the onset of the economic crisis which followed the Covid-19 pandemic, but many have forgotten a leading figure who led Scotland through its darkest hour. Concerned that wartime production was concentrated in the Midlands, the then Secretary for State for Scotland Tom Johnston set up the Scottish Council on Industry. Bringing together Chambers of Commerce, the STUC, the Royal Burghs and councils, and government, they soon attracted 700 businesses and 90,000 new jobs to Scotland.

They had bold ambitions for a better economy and came together to prepare for the industries and infrastructure which would shape post-war Scotland. They laid the foundations for hydro-electric power, the new towns of the 1940s, which attracted US electronic plants to Scotland's new industrial estates, and the start of the modern tourism industry with a new Scottish Tourism Board – a key industry which needs our support now more than ever. Nowhere was their ambition more apparent than in the creation of the NHS, to which we owe our lives and livelihoods.

75 years on the Council's values live on in SCDI. What we learnt this year has helped us think differently and create our Making a Good Living



**Joanna
Boag-Thomson,
Partner in Shepherd
and Wedderburn's
media and technology
practice, was elected
SCDI Vice-Chair in
January 2020**

Report, which looks forward 10 years to the kind of economy we aspire to be. The post-WW2 world was quickly divided by an Iron Curtain. Some want to use this crisis to reassemble barriers between countries and communities. SCDI has always been a strong advocate for international trade and whilst our focus remains on supporting Scotland's economy, Scotland has an opportunity to lead and to reap the benefits from the energy transition and digital transformation.

Your continued support of SCDI, through what has been an extraordinarily challenging year for all of us, sends a message about your commitment to a better Scotland and we look forward to continuing to work with you to build a prosperous economy which works for people and planet.

scdi.org.uk

Thank you to our Board and Committee members
scdi.org.uk/about