

# Annual Review 2015/16 & Future Plan 2017

---

**scdi**

Scottish Council  
for Development  
and Industry

Engaging Civic Scotland: Driving Economic Growth

[scdi.org.uk](http://scdi.org.uk)



You have valuable ideas,  
insights & knowledge to share.

That's why we're committed to offering our Members  
an open opportunity to connect, talk & have their input on  
the policies, issues & agendas that matter to them most  
& create sustainable economic growth for Scotland.

Engage & influence the conversation,  
attend our diverse business programme  
& join with us.

---

# Contents

Chairman's Message	4
Future Plan 2017	6
Engaging Civic Scotland: Driving Economic Growth	10
Shaping Scotland's Economy through SCDI Policy Agenda	16
Supporting Growth, Competitiveness & Skills	24
Scotland in the Global Economy	30
Inspiring Future Generations	34
Our Partners	36
Our Board & Committees	38
SCDI Fellows	39

Our SCDI membership ranges across all geographies and throughout the private, public and social economy sectors. This provides a unique picture of Scotland's economic health and has enabled us to make significant interventions throughout the 85 years since our foundation. Join us to help shape our ideas and deliver the next key interventions in continuing to drive Scotland's economic growth.

sccdi

# Chairman's Message

---





**For over 85 years, SCDI has pioneered economic development leadership - seeking to translate into practical effect a vision of sustainable and shared economic growth across all sectors and geographies of Scotland.**

I'm delighted to have been Chair of SCDI since February 2015. In the current economic climate - with all its challenges and opportunities - it continues to be an exciting time to be at the helm of an organisation which is unique in the diversity of its representation across the public, private and social economy sectors; and with a heritage of constructive, considered and collaborative ideas for Scotland's economic development since its inception in 1931. SCDI continues to be a key conduit and facilitator for innovative economic development concepts, as we collectively with our members aim to adapt our economy to myriad new circumstances both domestically and globally.

During this, the second year of my term, a significant piece of policy research work with our members and key stakeholders came to fruition, with the publication in December 2015 of SCDI's Blueprint report - *'From Fragile to Agile: A Blueprint for Growth & Prosperity for Scotland'*. This outlines our economic vision to 2025. The key pillars of the Blueprint - Productivity, Innovation and Internationalisation, underpinned by Infrastructure and Place - and the need to turn these areas of underperformance in the Scottish economy around in order to become a high-performance, agile economy, have been the touchstones of our policy work this past year. Indeed they will continue to drive our policy agenda for the foreseeable future.

In January 2016, SCDI also published a *'Digital Solutions to the Productivity Puzzle'* report - a joint piece of policy research produced with ScotlandIS, BT Scotland and The Royal Society of Edinburgh. With input from a cross-section of industry leaders, it notes that The Scottish Government and all sectors need to focus on utilising the new, world-class digital infrastructure in Scotland for higher economic growth and public service improvements over the coming 5 years.

My gratitude, and that of the SCDI team, goes to all those involved in the Committees, Steering Groups and the many individual members who contributed to shaping the findings of both our Blueprint and Digital Productivity reports - and who continue to engage in the ongoing outputs of this key

policy work. We look forward to continuing working with our members to present and help to implement the ideas for Scotland's current and future economy developed through this research, and will continue to communicate the key messages to Government and stakeholders who share the responsibility to deliver. During 2017, we will publish the findings from the ongoing work of our SCDI Connectivity Commission - more of which is detailed in our Future Plan.

*'The Emerging Economy'* was the theme of the 45<sup>th</sup> SCDI Forum held in March 2016 in St. Andrews. Lively debate and knowledge-sharing was fuelled by a stimulating range of perspectives from Scotland, the wider UK and internationally as we explored the developing key characteristics shaping the ways in which we do business nationally and globally. In a first, the Secretary of State for Scotland and the First Minister of Scotland appeared jointly on our common economic platform in addressing our SCDI Forum Dinner. In an engaging session, chaired by our SCDI President, they each addressed the issues raised by SCDI's Blueprint, with specific focus on the productivity puzzle and how innovation, internationalisation and modern, low carbon infrastructure can support economic solutions.

Following the outcome of the EU Referendum in June 2016, we have been engaging with both the Scottish and UK Governments on their future plans, encouraging collaborative working towards economic stability and we will continue to keep our members updated on developments going forward. We shall also continue to share our key messages with all politicians in the lead-in to the Scottish Local Elections in 2017. SCDI continues to create opportunities for our members to engage at all levels with political representatives across the Scottish, UK and European Parliaments and also in local government. In turn, our politicians appreciate and respect the wide range of knowledge and opinions across all of Scotland's geographies and sectors that SCDI brings to bear in its representative work.

Internationalisation continues to be a strong aspect of SCDI's economic focus, and we are delighted to be a key partner in the nationwide 'Exporting Is GREAT' campaign, working with both governments and other stakeholders in encouraging more businesses to export. Our International Business Summit 2016 focused on sharing and building export success; aiming to

instil a global ambition in businesses through learning from those already successfully in market and highlighting the support system available to help them achieve their aims.

SCDI values the role of the regional perspective in contributing to the national picture of Scotland's priorities and potential, and I would like to acknowledge the valued ongoing contribution of our Regional Committees, and the active and enthusiastic engagement of our members in supporting our regional programmes. We have also continued our work during the past year in further extending our activity and support across other regional areas, more of which in this Annual Review.

In addressing the skills of the next generation for future challenges - particularly in practical application - I'm delighted that our network of schools-based Young Engineers & Science Clubs has now expanded to Clubs being located in excess of 1,400 Primary and Secondary schools throughout the 32 Local Authority areas of Scotland. This involves the participation of some 30,000 school pupils in exciting STEM-focused education projects, which also engage with and enjoy the support of our industry partners.

I hope that this Annual Review and Future Plan demonstrates that SCDI continues to play a committed and energetic role in ensuring that Scotland's economy grows and is ready to face and adapt to the future, whatever that may present.

My thanks go to SCDI's President, Lady Susan Rice CBE for her continued counsel and support; and to my Deputy Chairs during this term - Dame Sue Bruce DBE until August 2016, with the mantle then being taken up in September 2016 by Ian Wall, for their valuable support. My gratitude also to fellow Board and Committee members for giving their time, knowledge and expertise to SCDI during this year; and to the team for their hard work in delivering successfully for our members.

In presenting this review of our achievements over the past year and looking forward to the new, many thanks go to all our members for your continued and much valued support of SCDI. We look forward to working with you in this year ahead.

**Brendan Dick**  
SCDI Chairman

# scodi

Scottish  
for De  
and In

2017 Annual



# SCDI Future Plan 2017

**2017 will be a year of change for the Scottish economy. Not just because of the new environment offered by the first year of partial devolved fiscal policy, where wealth creation and economic growth are critical to our Scottish economy, but also because of the challenges that emerged in 2016.**

Brexit will clearly impact on our work and the wider environment for the public and private sector as well as the social economy. We anticipate a high level of debate around the topic at this year's SCDI Forum and will continue to engage with both the UK and Scottish Governments around exiting the EU. Our Committees have held a number of discussions and, as a clearer picture emerges from the negotiations, we expect to step up our activity. Members with points and issues to raise should get in touch. It is apparent that sectors and trade deal destinations matter, therefore it is imperative that we gather as much intelligence as possible to illuminate the position. SCDI wants to ensure that a clear and well informed position is presented and that every opportunity is taken up to put forward views on behalf of our members.

The **SCDI Blueprint 'From Fragile to Agile'** policy report highlighted the key challenges for the Scottish economy as Productivity, Innovation, Internationalisation; and created a strategy to work with infrastructure and investment to address them. The vote to leave the European Union and the following negotiation period will generate an additional major ask of business who will have to work harder than ever to grow, innovate and create profits.

This annual Future Plan seeks to reflect the role of the organisation as a lynchpin for all parts of the Scottish economy, bringing together a collective insight into the opportunities and risks for the economy, which is changing even more rapidly due to the dynamic external environment we find ourselves in. SCDI aims to provide an anchor point in what are proving to be uncharted waters.

## What SCDI Does

Our key goal is to support our members in the public, private and social economy sectors to thrive and to see this translate into long term economic and social prosperity for Scotland. In order to help achieve this, SCDI will utilise its unique convening powers and spheres of influence to support members and help ensure that Scotland is the best possible place it can be to do business.

## SCDI in 2017

SCDI's annual Forum remains a well-recognised point in the Scottish business calendar. This year Forum returns to the RBS Gogarburn HQ in Edinburgh, promising another engaging agenda reflecting the critical issues facing Scotland's economy.

In recognition of the changed fiscal framework, the **SCDI Forum 2017 (16 & 17 March, Edinburgh)** focuses on wealth creation and economic growth. Entitled *'Brave New Worlds?'* this reflects the debate that needs to be had around how Scotland can grow as part of the UK and within a larger global market.

To address this it presents leading thinkers and speakers on innovation, business and policy. The EU Referendum and implications of Brexit will also be a key discussion held within the Forum.

## SCDI Policy & Events Programme

Digital and Transport will be key elements to our events programme in 2017, alongside SCDI's established 'all sectors' policy approach.

SCDI will be engaging in a number of events and discussions to follow up the publication of our new joint report **'Smart Citizens, Smart City Regions - Delivering Digital Public Services in Scotland'** to support and drive the debate forward. There will be events across Scotland, as well as a discussion within the Forum on the digital theme. You can access this report at this url [www.scdi.org.uk/images/document/PDFs-2017/SCDI-SmartCitizensSmartCityRegions-DigitalPublicServicesInScotland-Report-Jan2017.pdf](http://www.scdi.org.uk/images/document/PDFs-2017/SCDI-SmartCitizensSmartCityRegions-DigitalPublicServicesInScotland-Report-Jan2017.pdf)

A series of business workshops launched at the end of 2016 and so far have explored virtual reality applications and boosting business through social media. More workshops will be held on *'Developing Your Digital Brand'* with our partners MadeBrave and Deloitte LLP in the first half of 2017.

As mentioned, transport will be key theme, with the conclusion and publication of the work of the **SCDI Connectivity Commission** chaired by Dr George Hazel OBE. The steering group have been considering issues to report on the changes, particularly technology-enabled, which are increasingly transforming transport services and infrastructure. It will make recommendations on what responses need to be considered by government and industry in Scotland to develop world-class connectivity for people and goods.

The Commission will aim to influence thinking about emerging opportunities to meet a growing demand for seamless, mode neutral and user focused 'door-to-door' connectivity, including by making more effective and efficient utilisation of assets and by making the right investments in new infrastructure. The **SCDI Connectivity Commission** has specifically considered:

- **Future-proofing** - key economic, social and environmental characteristics of any future transport network;
- **Funding** - as transportation becomes increasingly service-based, how funding may be provided for operations, maintenance of assets and investment in new infrastructure;
- **Decision-making** - how policy and operational decisions may need to change with a more dynamic transport system and deliver positive economic, social and environmental outcomes.

**Regional Development** will also be a focus throughout 2017, building on SCDI's work with the Ayrshire Growth Deal, Tay Cities Deal and other strategic regional economic development platforms. SCDI is working with the Scottish Universities Insight Institute on workshops and a major event mid-year on City Region Deals and Regional Growth in Scotland. These events will aim to identify key issues now facing the newly emerging city-deal partnerships in Scotland and help shape a more long-lasting network of knowledge exchange.

SCDI continues our active engagement throughout Scotland supported by the work of our team and regional Committees in the North East and Highlands & Islands.

**Productivity** remains a persistent concern with regard to our economic performance in Scotland. SCDI identified this in our research underpinning the Blueprint report and we are keen to add to the thinking and debate in this area. This will be through a focused piece of work which will be launched with partners at the Forum. This research piece will be an industry led non-technical publication. We will focus on:

- **Skills**
- **Technology**
- **Regulation**
- **Investment**

The objective is to take a deep dive into these four subject areas and uncover the drivers that will create the positive development of each variable. SCDI and its partners will publish a document that will take a 5-10 year outlook as to what Scotland could do to kick-start the productivity enhancements that will help us meet the Scottish Government set outcome of moving from the 3rd to the 1st quartile internationally.

SCDI continue to support Skills Development Scotland with **Scottish Apprenticeship Week** and the **Skills Summit**. The theme for this year's Skills Summit is '*The Future of Workplace Learning*' - including a strong digital element, as we discuss and challenge what skills are required for an adaptable workforce that will be resilient to digital disruption.

## The Policy Context

The SCDI Blueprint '*From Fragile to Agile*' remains our primary operating framework and our focus on Productivity, Innovation and Internationalisation within business in Scotland and the UK will continue. Infrastructure has always been identified as critical to success in these areas. SCDI has identified upcoming work across both governments, some of which is detailed below, that will help us achieve our aim of securing the best possible operating environment for members to drive sustainable economic growth.

2017 will see the UK Government create an **Industrial Strategy** for the UK. The focus and actions from this will form a vital part of the policy environment in Scotland. Scotland's competitiveness within the UK and the opportunities offered must be at the heart of the strategy. SCDI will be representing its members and exerting its influence to ensure that these elements are present, as well as recognition made of the wider global trends that will impact Scottish and UK businesses in the coming years.



Trends such as digital disruption and the changes this will bring to the workforce, demographic changes and the drive towards a sustainable and low carbon economy must be tackled, alongside the critical issues around productivity and innovation, in order to create stronger economic resilience for Scotland and the rest of the UK. SCDI will be seeking broad and deep views from members to collate a strong response to the UK Government Green Paper, *'Building our Industrial Strategy'*.

SCDI will engage with the **Taylor Review of Modern Employment Practices** and its programme of work to inform government thinking around employment practices. This work is very important from an SCDI member point of view - as well as gathering evidence on new areas such as the gig economy; disruption in the employment and labour market; and potential impacts on fiscal policy and taxation. The information will help employers and employees better understand the current influences on wages, taxation and economic growth and SCDI looks forward to bringing the views of our members to the table.

The announcement by the Scottish Government to bring forward £100million of capital spending into the 2016/17 financial year to mitigate the potential effect of Brexit was welcomed by SCDI. Our work in 2017 on productivity, transport and digital is designed to help support intelligence around infrastructure spending in Scotland.

SCDI will continue engagement on business taxation with our members and Committees which represent different geographic areas of Scotland and through the **Barclay Review of Business Rates**.

The ongoing **Enterprise & Skills Review** being conducted by Cabinet Secretary Keith Brown MSP presents a useful point of engagement for SCDI and we are pleased to be involved. We will continue with our contribution to ensure that our members' voices are heard across all the issues raised by the proposals put forward by the Review, particularly in respect of regional development bodies. The areas covered are identified by both SCDI and The Scottish Government as critical to future growth and resilience of the Scottish economy and SCDI are keen to engage to help drive an optimal outcome.

SCDI submitted a response to the consultation on the proposed introduction of an **apprenticeship levy**. It said that there was a case for delaying the introduction of the levy as a response to current and ongoing difficult market conditions for business. These conditions are still part of the current operating landscape in early 2017. SCDI continues to engage heavily on skills with both the UK and Scottish Governments in recognition of the importance of the skills agenda from an economic and social perspective.

SCDI was involved in work around the **National Infrastructure Commission** and welcomes the commitment to the interim 'Visions & Priorities' document due to be published in 2017 which is to offer an overall assessment of infrastructure needs up to 2050. The vision should identify the ideal scenario in terms of how the UK operates and the focus needs to be on the optimum outputs from projects - as well as the projects themselves and how they work together as a whole to create economic growth and wellbeing improvements. This long term view is necessary and SCDI will examine how to align with broader geographic strategies in order to get the best value for money from these once in a generation investments through our regional development work and involvement in a number of City Deal and Regional Growth projects.

This Future Plan contains some of the strategic issues we will face in the coming year, but we of course retain the flexibility to respond to external changes and our members concerns and needs.

We welcome any feedback and thoughts on this plan. Any members who wish to be involved in any particular area of policy work detailed here, or have other areas that they would want to bring SCDI's unique convening powers to bear on, we would ask you to get in touch at: [claire.mack@scdi.org.uk](mailto:claire.mack@scdi.org.uk)

[www.scdi.org.uk](http://www.scdi.org.uk)

# Engaging Civic Scotland: Driving Economic Growth

---



Joining us at the SCDI Forum 2016 to deliver a closing  
address in relation to the future of the UK & the EU was  
David McAllister MEP of the CDU Party, Germany

## Policy & Political Engagement

During financial year 2015/16, SCDI published two key pieces of policy research work - our **Blueprint for Growth & Prosperity 'From Fragile to Agile'** which identified priorities for Scotland's economy of productivity, innovation and internationalisation underpinned by infrastructure; and our joint **'Digital Solutions to the Productivity Puzzle'** report. The findings of both of these significant pieces of policy research underpinned all of SCDI's activity and engagement throughout the year with our members across all sectors and geographies, the UK and Scottish Governments and key stakeholders.

In a year of continuing political changes and challenges for the economy, SCDI engaged with our members and politicians across the spectrum in advance of both the Scottish Parliament Elections in May and the EU Referendum in June 2016. Following the Brexit outcome of that vote, we have continued our close engagement with both the Scottish and UK Governments on future plans and developments in relation to Scotland and the wider UK's position globally. In encouraging businesses to internationalise, SCDI are partners of the ongoing 'Exporting Is GREAT' national business campaign.

### Creating a Common Economic Platform

A key feature of our annual SCDI Forum is political engagement with government and we are delighted that in 2016 - in a first for Scotland - both the **First Minister Nicola Sturgeon MSP** and **The Secretary of State for Scotland David Mundell MP** jointly appeared on our common economic platform at the Forum 2016 Dinner held in March in St.Andrews.



Kezia Dugdale MSP, Scottish Labour Leader, addressed SCDI's 'Meet The Politician' Series & also engaged with YESC Club Ainess Academy at 'Science & the Parliament'

The First Minister and Secretary of State for Scotland each addressed the issues raised by our key SCDI policy report *'From Fragile To Agile: A Blueprint For Growth & Prosperity'*, with specific focus on the Productivity Puzzle and how innovation, internationalisation and modern, low carbon infrastructure can support solutions.

In a wide-ranging and engaging Q&A session with delegates, hosted by SCDI President **Lady Susan Rice CBE**, they both noted that the Scottish and UK Governments can and do work constructively together in relation to specific aspects - such as rail connectivity and digital infrastructure - in order to ensure that Scotland is performing as well as possible economically. The business community was invited to work collaboratively as partners with both governments in meeting the economic challenges, including a need for more focus on companies internationalising.

### Scottish Parliament Elections

During the Scottish Parliamentary Election 2016 process, SCDI were pleased to work with our Partners - The Law Society of Scotland, MacRoberts LLP, Gatwick Airport and The Times Scotland - to deliver a series

of business engagement events during April 2016, which allowed our members the opportunity to put forward key questions to panels of representatives from across the political spectrum in Inverness, Glasgow, Edinburgh and Aberdeen.

Our policy Blueprint *'From Fragile To Agile'* highlighted some of the key challenges and opportunities open to the Scottish economy over the coming decades, and looked closely at how we can address some of the structural challenges we face. Productivity, Innovation and Internationalisation, along with the delivery of the Infrastructure to support those areas, are all points we need to address if Scotland is to achieve all that we believe it can. This series of SCDI Business Breakfast sessions allowed our politically-representative panels from the Scottish National Party; Scottish Labour Party; Scottish Conservative Party; Scottish Liberal Democrats; and Scottish Green Party; the opportunity to put forward their answers to how we help the Scottish economy to thrive. It gave over 200 SCDI members who took part in the events across the country the opportunity to ask questions of their policies that were important to them and their businesses across a whole range of economic and social issues.

There is a need to develop an agreement which will support prosperity, maintain partnerships and progress common priorities across Europe.



**Representatives taking part in these interactive Scottish Election political engagement sessions were:**

#### INVERNESS

**Chair:** Kenny Farquharson - Columnist & Senior Writer, The Times in Scotland

**Lab:** David Stewart - Candidate for Inverness & Nairn; & Candidate on the H&I List

**Con:** Edward Mountain - Candidate for Inverness & Nairn; & Candidate on the H&I List

**LibDem:** Carolyn Caddick - Candidate for Inverness & Nairn; & Candidate on the H&I List

**SNP:** Maree Todd - Lead Candidate on the H&I List

**Green:** John Finnie - Lead Candidate on H&I list

#### GLASGOW

**Chair:** Hamish MacDonell - Journalist & Political Commentator

**Lab:** Anas Sarwar - Lead Candidate on Glasgow List

**Con:** Kyle Thornton - Chair of Glasgow Conservatives & Candidate for Glasgow Cathcart

**LibDem:** Robert Brown - Lead Candidate on Glasgow List

**SNP:** Ivan McKee - Candidate for Glasgow Provan

**Green:** Patrick Harvie - Co-Convenor & Lead Candidate on the Glasgow List

#### EDINBURGH

**Chair:** Magnus Linklater CBE - Journalist & former Scotland Editor of The Times

**Lab:** Daniel Johnson - Candidate on the Lothian List; & Candidate for Edinburgh Southern

**Con:** Miles Briggs - Candidate on the Lothian List; & Candidate for Edinburgh Southern

**LibDem:** Alex Cole-Hamilton - Lead Candidate on Lothian List; & Candidate for Edinburgh Western

**SNP:** Colin Beattie - Candidate for Midlothian North & Musselburgh & the Lothian Region

**Green:** Sarah Beattie-Smith - Lead Candidate in the South of Scotland

#### ABERDEEN

**Chair:** Lindsay McIntosh - Scotland Reporter with The Times

**Lab:** Lewis MacDonald - Candidate on the North East List; & Candidate for Aberdeen Central

**Con:** Alex Johnstone - Lead Candidate on the North East List; & Candidate for Angus North & Mearns

**LibDem:** Christine Jardine - Candidate for Aberdeenshire East

**SNP:** Mark McDonald - Candidate for Aberdeen Donside; & Candidate on the North East List

**Green:** Maggie Chapman - Co-Convenor of Party; & Lead Candidate for the North East List

## EU Referendum & Brexit

In early June 2016, SCDI hosted a Business Breakfast - 'Full Scottish, Continental or Ready Brex? - Understanding the Impact of Political Change' in partnership with the Centre on Constitutional Change, hearing from expert speakers Prof. David Bell and Prof. Nicola McEwen. With a new Scottish Parliament having just been elected which would soon have much greater ability to vary taxation and spending, and the UK shortly deciding whether to Remain in or Leave the EU, many businesses place a high value upon stability and certainty. The potential for significant change is a fact of the environment in which we operate and so the next best option is to understand its implications.

The discussion focussed on the new fiscal and policy environment following the Scottish Parliament elections and the Scotland Act. It also looked ahead to, and beyond, the Referendum of the UK's membership of the EU. SCDI members had raised the need for non-partisan, authoritative evidence and discussion on these key areas to inform their decisions and help them to business plan and this busy SCDI business session was delivered with the aim of meeting that need.

On 9 May 2016, SCDI had announced that, following a consultation of our members, we supported the UK's continued membership of the European Union. As Scotland's leading independent economic development network, with membership ranging across the private, public and social economy sectors including a wide variety of businesses, professional associations and trade unions, the public sector, faith groups and charitable organisations - a Survey of our members highlighted clear support for the UK remaining inside the EU, but a small number of members did not hold that view.



Following the outcome of the UK's EU Referendum SCDI noted on 24 June 2016 that, in line with our previously stated position on membership of the EU, SCDI and many of our members were disappointed that the overall outcome will mean that Scotland and the rest of the UK will leave the EU, however we respect the outcome of the Referendum vote. Regardless of any position on the Referendum result, it is essential that the Scottish and UK Governments, the Bank of England and international institutions implement their contingency plans and respond effectively to maintain stability.

While many businesses also have plans, they will need the close engagement and support of government. As the focus turns to negotiations on the future relationship between Scotland and the UK and the EU, the Scottish and UK Governments should work closely with Scottish business and with civic Scotland. There is a need to develop an agreement which will support prosperity, maintain partnerships and progress common priorities across Europe.

SCDI engaged on behalf of our members with both the Scottish Government & UK Government at two business roundtable discussion sessions hosted in Edinburgh on 5 July 2016.



Anas Sarwar MSP was a political panellist during the SCDI Scottish Election Series



The UK Government session was hosted by the Secretary of State for Scotland **David Mundell MP**; with the Scottish Government's meeting chaired by the First Minister **Nicola Sturgeon MSP** alongside Cabinet Secretary for Economy, Jobs & Fair Work, **Keith Brown MSP**. Some common themes emerging from both of these discussions and expressed by those in attendance included a desire for access to the Single Market; clarity on Freedom of Movement of citizens; an agile but stable Regulatory environment; and an increased need for integrated Infrastructure projects to help sustain and boost the economy.

SCDI highlighted the common cause of a need for economic stability for businesses and our desire to see both Governments work together to find effective solutions going forward and to demonstrate to all sectors - private, public and social economy - a unity of economic purpose. We noted it was positive to see the Governments engaging at an early stage with business and civic Scotland on this key issue. We maintain there is a need to develop an agreement which will support prosperity, maintain partnerships and progress common priorities across Europe.

Further business roundtable discussions took place later in 2016 between SCDI, our members and **Keith Brown MSP**, Cabinet Secretary for the Economy, Jobs & Fair Work, The Scottish Government; **The Rt Hon Dr Liam Fox MP**, Secretary of State for

International Trade, UK Government; and **David Gauke MP**, Chief Secretary to The Treasury. These sessions are outlined later in this report.

During the post-Referendum period and Brexit process, SCDI will continue to work hard to understand the implications for businesses and organisations in Scotland. We will continue to seek the views of our members, across all sectors and in all geographies, to ensure that these continue to be communicated to both the Scottish & UK Governments as we work with them together for the Scottish economy.

SCDI hosted a business roundtable with The Rt Hon Matt Hancock MP then Minister for the Cabinet Office & Paymaster-General



Government Ministers and Opposition spokespeople engaged with SCDI in a variety of format.

### Meet the Politician Series

*Delivered in the North East in partnership with Oil & Gas UK. Speakers included:*

**Ruth Davidson MSP** - Leader, Scottish Conservatives

**Kezia Dugdale MSP** - Leader, Scottish Labour Party

**Pete Wishart MP** - SNP; Chair, Westminster Scottish Affairs Committee

**Dean Lockhart MSP** - Shadow Cabinet Secretary for Economy, Jobs & Fair Work, Scottish Conservatives

### Political Challenge Series 2016/17

*Delivered in central belt in partnership with the Scotch Whisky Association (this series is also continuing into the new financial year):*

#### 'Internationalisation & The Impact Of Brexit' Discussion:

**Ian Duncan MEP** - Conservative MEP for Scotland

**Alyn Smith MEP** - SNP MEP for Scotland & Member of the Foreign Affairs Committee, EU Parliament

**Lewis Macdonald MSP** - Deputy Convenor of the Europe & External Relations Committee

#### Government also engaged with SCDI Influencers' Dinners, business breakfast seminars and roundtable discussions, including:

**Angus Brendan MacNeil MP** - Chair, Energy & Climate Change Committee

**Fergus Ewing MSP** - Minister for Business, Energy & Tourism, The Scottish Government

**The Rt Hon Dr Liam Fox MP** - Secretary of State for International Trade, UK Government

**The Rt Hon Matt Hancock MP** - *then* Minister for the Cabinet Office & Paymaster General

**Keith Brown MSP** - Cabinet Secretary for Finance, Jobs & Fair Work, The Scottish Government

**David Gauke MP** - Chief Secretary to HM Treasury, UK Government

Our popular and established Influencers' Dinner series continued across Scotland, bringing together business and civic leaders to provide a regular setting for expert insights and opportunity for a deeper dialogue and exchange of views with SCDI members.

### SCDI Influencers' Dinners

*Key contributors to our series of SCDI Influencers' Dinners during this year were:*

**Stephen Archer** - Director of Infrastructure Services, Aberdeenshire Council

**Andrew Bailey** - Deputy Governor for Prudential Regulation, The Bank of England; *then* Chief Executive Officer, Prudential Regulation Authority; now Chief Executive Officer, FCA

**Howard Barber** - Head of Decisioning & Analytics, Standard Life

**David Begg** - Publisher & Chief Executive, Transport Times, & Non-Exec Board Member, Heathrow Airport Holdings

**Mike Blackburn OBE** - Chair of the Greater Manchester Local Enterprise Partnership (GM LEP); & BT North West Regional Director

**Vicky Brock** - Chief Executive, Clear Returns

**Jo Bucci** - Managing Director, People's Postcode Lottery

**Stephen Bull** - Senior Vice President, Statoil Hywind

**Stewart Carruth** - Chief Executive, Stirling Council

**Naomi Climer** - President, The Institution of Engineering & Technology

**Fergus Ewing MSP** - Minister for Business, Energy & Tourism, The Scottish Government

**Elaine Farquharson-Black** - Partner, Burness Paull LLP

**Ali Gayward** - UK Commercial Manager, easyjet

**Paul Grant** - Chairman, Mackays Ltd

**Mandy Haeburn-Little** - Director, Scottish Business Resilience Centre

**David Horne** - Managing Director, Virgin Trains East Coast

**Bill Jinks** - Chief Technology Officer for Sales & Distribution, IBM

**Morten Kelstrup** - North Sea UK Managing Director, Maersk Oil North Sea UK

**Angus Brendan MacNeil MP** - Chair, Energy & Climate Change Committee

**John McNairney** - Chief Planner for Scotland, The Scottish Government



**Deirdre Michie** - Chief Executive, Oil & Gas UK  
**Ally Prockter** - Chief Executive, AFC Community Trust  
**Ray Riddoch** - UK Managing Director & Vice President Europe, Nexen Petroleum U.K.  
**Dr Helen Rippon PhD** - Chief Executive, Worldwide Cancer Research  
**Malcolm Roughead OBE** - Chief Executive, VisitScotland  
**Duncan Skinner** - Chairman, AFC Community Trust  
**Caroline Stuart** - then Director for Scotland, Oracle Corporation  
**Barry White** - Chief Executive, Scottish Futures Trust  
**Steven Wilson** - Detective Superintendent, Police Scotland  
**Rob Woodward** - CEO, STV Group plc

### Business seminars, strategic roundtable discussions and 'behind the scenes visits'

*In addition we held a wide diversity of business seminars, strategic roundtable discussions and 'behind the scenes' visits to inform and engage our members in a wide range of themes of current relevance.*

#### Speakers at these sessions included:

**Councillor George Adam** - Lord Provost of Aberdeen  
**Chris Bain** - External Relations Director, Aberdeen Harbour Board  
**Prof. David Bell** - Professor of Economics, University of Stirling; Centre on Constitutional Change  
**Jay Bevington** - Partner, Deloitte LLP, & Lead of Deloitte's Healthcare Governance Practice  
**Henrik Brandt** - Director, Danish Institute for Sports Studies  
**Prof. Koen Breedveld** - Mullier Institute, Centre for Sports in Society, Netherlands  
**Peter Bruce** - Chief Executive, Entier Ltd  
**Dame Sue Bruce DBE** - then Deputy Chair, SCDI  
**Tanya Castell** - Chief Executive, Changing the Chemistry



Alli Gayward, UK Commercial Manager, easyjet addressed an SCDI Influencers' Lunch exploring air connectivity in the Highlands & Islands region (pictured with Fraser Grieve, SCDI & Inglis Lyon, MD, HIAL)

**Graham Christie** - Project Director, AWPR CJV  
**Ray Douglas** - Beach Ballroom Area Manager, Aberdeen City Council  
**William Dowson** - Agent for Scotland, Bank of England  
**Andy Drane** - Partner, Davidson Chalmers LLP  
**Rob Galbraith** - Contracting Authority, AWPR  
**Councillor Martin Kitts-Hayes** - Co-Leader, Aberdeenshire Council  
**Derek Henderson** - Senior Partner, Deloitte LLP  
**John Johnstone** - Manager, Aberdeen City Council  
**Councillor Jenny Laing** - Leader, Aberdeen City Council  
**Alistair MacKenzie** - Chairman, Aberdeen Harbour  
**Prof. Nicola McEwen** - University of Edinburgh; Associate Director, Centre on Constitutional Change  
**Matt North** - Commercial Director, Aberdeen Harbour  
**Van Phillips** - Inventor of Running Blade Prosthetic Technology  
**Christopher Prentice** CMG - UK Ambassador to Italy  
**His Excellency L'ubomir Rehak** - Ambassador of the Slovak Republic to the UK  
**Elly Rothnie** - Director of Development, National Theatre of Scotland  
**Scott Shaw** - Project Manager, Transport Scotland

**Patrick Wiggins** - Programme Director, Ayrshire Growth Deal  
**John Wilson** - Managing Agent, AWPR  
**Carol Wright** - Partner, Springfords LLP

SCDI continued to work closely with the 32 Local Authorities throughout Scotland, organising and delivering the annual Conference of SLAED (Scottish Local Authorities Economic Development Officers' group) in Dundee in November 2015 entitled 'Shaping the Inclusive Agenda for Local Economic Development in a Changing Scotland', which was addressed by senior representatives from the public and private sector, with an opening address from **Alex Neil MSP**, then Cabinet Secretary for Social Justice, Communities & Pensioners' Rights, The Scottish Government.

Our policy agenda focus throughout the year has been driven by the key themes of productivity, innovation and internationalisation underpinned by infrastructure and place from our SCDI 'From Fragile to Agile: A Blueprint for Growth and Prosperity' policy report. The report stems from in-depth discussions with SCDI members about their immediate and long-term priorities for ensuring Scotland achieves the levels of sustainable economic competitiveness and reward we are all striving for.



# Shaping Scotland's Economy through SCDI Policy Agenda

---





## SCDI Forum 2016

**The SCDI Forum, delivered each spring, maintains its leading position in strategic discussion regarding Scotland's future economic vision and priorities. Our 45th SCDI Forum - 'The Emerging Economy' - was held at Fairmont, St. Andrews in March 2016,** attended by circa 250 delegates engaging with senior leaders and influencers from across the Scottish, wider UK and international spheres. An executive Symposium prior to the opening of the main conference engaged 70 Scottish leaders who gathered to discuss and debate the context for the Forum's policy discussions.

We took the findings of our SCDI Blueprint research around the three key economic challenges of the need for increased innovation, productivity and internationalisation, underpinned by infrastructure, into Forum 2016.

As world events continue to drive ever increasing change in the economic system, SCDI Forum 2016 explored the developing key characteristics that shape the ways in which we do business in our own country and also how we transact trade internationally. Profound technological, economic and geopolitical disruptions are changing the world around us at an accelerating pace, raising questions for how we do business.

This SCDI Forum explored whether Scotland and its leaders, managers and workforces have the focus, appetite for risk and ambition to be at the forefront of these economic changes - including the need to be more entrepreneurial and intrapreneurial, economically and socially agile and adaptable by necessity; highly competitive, but increasingly collaborative, requiring a more active regulatory relationship; and personalised, but more sharing in consumption.

We considered the potential economic opportunities as we move through developing infrastructure towards a low carbon future and to an increasingly digital economy supporting innovation. A key opportunity post-Forum to consider the context for our economy and how it interacts internationally was of course the following EU Referendum in June 2016, and with this in mind, the closing address of Forum 2016 was delivered by a European politician with Scottish heritage, **David McAllister MEP**, who joined us from Germany.

### **SCDI Forum 2016 keynote contributors represented the rich mix and broad balance of the economy, including:**

**The Rt Hon Nicola Sturgeon MSP** - First Minister of Scotland

**The Rt Hon David Mundell MP** - Secretary of State for Scotland

**David McAllister MEP** - CDU Party, Germany

**Lady Susan Rice CBE** - President, SCDI

**Bob Keiller** - Chair, Scottish Enterprise

**Carl Paraskevas** - Senior Financial Economist, Commercial Banking, Lloyds Bank

**Prof. Sir Jim McDonald** - Principal & Vice-Chancellor, University of Strathclyde  
**Ronnie Quinn** - General Manager - Scotland Portfolio, The Crown Estate  
**Chris Toop** - General Manager - Energy, Scottish Water

**David MacLeman** - Innovation Strategy Manager, SSE Power Distribution

**Jim McColl OBE** - Founder, Chairman & CEO, Clyde Blowers Capital

**Sir John Armitt CBE** - Commissioner for the National Infrastructure Commission; President of the Institution of Civil Engineers; & former Chair of the Olympic Delivery Authority

**Prof. Winy Maas** - Co-Founding Director, MVRDV Architects

**Kresse Wesling MBE** - Co-Founder, Elvis & Kresse

**Paul Chong** - Director of Watson Group - EMEA, IBM

**Prof. François Garçon** - Senior Lecturer & Associate Professor, Université Paris-Sorbonne

**Brendan Dick** - Chair, SCDI; & Director, BT Scotland & Managing Director, BT Regions



Sharing a 'Common Economic Platform' at the SCDI Forum 2016 dinner were First Minister Nicola Sturgeon MSP & Secretary of State for Scotland David Mundell MP, facilitated by Lady Susan Rice CBE, President of SCDI

The report focuses on the areas of underperformance in the Scottish economy - Productivity, Innovation and Internationalisation - which are underpinned by Infrastructure and Place, and the levers required to support stronger economic growth which is equitable and sustainable.

Delegates also had the opportunity to participate in, and contribute to, one of 4 parallel Workstream Sessions led by a variety of speakers:

**'Digital Solutions to the Productivity Puzzle'**

Mark Dames - Head of Policy & Public Affairs, BT Scotland  
Bob Yuill - Deputy Chief Executive, Scottish Agricultural Organisation Society (SAOS)  
Polly Purvis - Chief Executive, ScotlandIS

**'Going Beyond 'A' to 'B' - Transforming Connectivity for a Successful Scotland'**

Dr George Hazel OBE - Chair, SCDI Connectivity Commission  
Robbie Drummond - Group Finance Director, David MacBrayne  
James Ledgerwood - Head of Economic Development, ScotRail

**'Regeneration & Delivering Transformative Change'**

Andrew Thin - Chair, Scottish Canals, & Non-Exec Director of The Scottish Government's Infrastructure Investment Board  
Philip Yelland - Executive Director for Regulation, The Law Society of Scotland  
Steve Dunlop - Chief Executive, Scottish Canals

**'Accelerating the Circular Economy: Investing in the Future'**

Vic Emery - Chair, Zero Waste Scotland  
Iain Gulland - Chief Executive, Zero Waste Scotland  
Ewan Mearns - Senior Manager Strategy Services, Scottish Enterprise  
Kennedy Miller - Technology & Sustainability Manager, Brand-Rex  
Kresse Wesling MBE - Co-Founder, Elvis & Kresse  
Eric Whale - Director, CelluComp

**Research & Analysis**

**SCDI Blueprint Report - 'From Fragile To Agile'**

Following extensive consultation and research across the country by SCDI's Policy team with key stakeholders and our members from the private, public and social economy sectors, in December 2015, SCDI published our new policy Blueprint 'From Fragile to Agile: A Blueprint for Growth & Prosperity' report, which identified Productivity as the key challenge for the Scottish economy which needs to be tackled head-on if our country's economy is to make successful progress during what is shaping up to be a decade of disruptive global changes.

In our policy Blueprint, we make policy recommendations on how Scotland can become a high-performance, agile economy. The report focuses on the areas of underperformance in the Scottish economy - Productivity, Innovation and Internationalisation - which are underpinned by Infrastructure and Place, and the levers required to support stronger economic growth which is equitable and sustainable.

**Key recommendations from our SCDI Blueprint include:**

- **A Scottish Productivity Commission** modelled on those of Australia and New Zealand, should provide independent research, advice and performance monitoring to government and all sectors, under the direction of the Council of Economic Advisers.
- **A network of TechHubs** should be developed to bring together innovators, entrepreneurs and creatives with professional support in flexible, affordable and high-tech spaces in cities, towns and smaller communities - with opportunities for revitalising private and public sector



Ross Martin, Chief Executive, SCDI and German MEP, David McAllister in discussion at the SCDI Forum 'The Emerging Economy'



SCDI Chair, Brendan Dick, launches SCDI Blueprint 'From Fragile to Agile' Report at our Annual Lecture 2016

property assets as economic changes and financial pressures drive “capacity exit” an immediate priority for policy and partnership support.

- **A genuine partnership on trade and investment activity** to light up and capitalise on business/sectoral, civic and educational resources and relationships, maintain and improve our relationships in the EU and develop a Scottish ‘Commonwealth Plan’.
- **An independent Scottish Infrastructure Commission** to recommend long-term priorities which develop the planned investment programme from catch-up to transformation of Scotland’s competitiveness, and integrates national and city region pipelines with a focus on smart and low carbon, and new legislation to fast-track delivery.

Digitisation is a particularly high priority, and SCDI recommended that the first **Chief Digital Officer for Scotland**, reporting directly to the First Minister, should be appointed to progress Digital Scotland discussions from infrastructure to economic growth and public service improvements.

While the Blueprint generally takes a long-term perspective, SCDI also recommended that a ‘First 100 Days’ mentality could establish a tempo which generates a sense of clear and shared purpose, with early actions such as:

- Agreeing and delivering **City Regions Deals** for Edinburgh and South East Scotland, Aberdeen City and Shire, and Inverness and Highland, following the lead of Glasgow and the Clyde Valley, which accelerate the reversal of 100 years of centralisation within the UK.

- Launching a review to fundamentally reform the **business rates** system and introducing further reforms to the **planning** system to make both more reflective of, and responsive to, the changing economy, and supportive of investment into local growth and jobs.

Through our Blueprint, we emphasised the critical need throughout for substantially better information about what is happening in the Scottish economy, particularly with the devolution of more policy levers for the economy and revenue-raising, so we can all understand and optimise the effectiveness of our efforts across these priorities going forward, with robust, real-time and high profile Scottish and city region data.

You can access SCDI’s **Blueprint** at this url: [www.scdi.org.uk/images/document/PDFs-2015/SCDI-Blueprint2015-Report-FromFragileToAgile-071215.pdf](http://www.scdi.org.uk/images/document/PDFs-2015/SCDI-Blueprint2015-Report-FromFragileToAgile-071215.pdf)



Prof Winy Maas, Co-Founding Director of MVRDV Architects, Netherlands discussed future liveable, enlightened & dynamic cities, towns & rural areas at Forum 2016



## SCDI Connectivity Commission

SCDI's Blueprint identified the need for improvements in Scotland's Productivity, Innovation and Internationalisation, underpinned by key Infrastructure. Transport Connectivity is of fundamental importance to the success of the Scottish economy and, while there is substantial long-term investment, there is a need for developments to become transformational - especially as digital innovation changes transport and travel markets.

We therefore established an SCDI Connectivity Commission to report on the changes, particularly technology-enabled, which are increasingly transforming transport services and infrastructure; and to make recommendations on what responses need to be considered by government and industry in Scotland to develop world-class connectivity for people and goods. The Commission will aim to influence thinking about emerging opportunities to meet a growing demand for seamless, mode neutral and user focused 'door-to-door' connectivity, including by making more effective and efficient utilisation of assets and by making the right investments in new infrastructure.

### Our Connectivity Commission has been working to specifically consider:

- **Future-proofing** - key economic, social and environmental characteristics of any future network;
- **Funding** - as transportation becomes increasingly service-based, how funding may be provided for operations, maintenance of assets and investment in new infrastructure;
- **Decision-making** - how policy and operational decisions may need to change with a more dynamic transport system and deliver positive economic, social and environmental outcomes.

The Commission is focussing, at this stage, on connectivity within and between Scotland's City regions, and the priorities of higher productivity, innovation and internationalisation in the Scottish economy. Chaired by **Dr George Hazel OBE**, the Connectivity Commission brings together key stakeholders from the private and public sectors, particularly with expertise in Transport and Digital sectors, and will report in 2017.

Tying into the Innovation and Internationalisation themes, SCDI delivered a Business Lunch Lecture *'Innovating To Compete - 'Anything You Can Think Of, You Can Create'* in May 2016 with US guest speaker **Van Phillips**. The inventor of Running Blade Prosthetic Technology 'Flex Foot' - a product used globally by amputees - Van Phillips visited Scotland to receive a *'Lifetime Achievement Award'* at the Sports Business Innovation Awards. In advance, SCDI hosted this business lecture in partnership with Stirling-based Sporting Chance Initiative; and the University of Strathclyde - themselves world-class pioneers in the BioMedical Engineering field, hosting the National Centre for Prosthetics & Orthotics.

An amputee from the age of 21, Van Phillips was motivated by the limitations of then-existing artificial limbs to ultimately create a workable artificial foot manufactured from carbon graphite.

Unlike previous prostheses, it stored kinetic energy from the user's steps as potential energy, like a spring, allowing the wearer to run and jump. Circa 90% of Paralympic athletes now use a variation of his original design, as well as thousands of people globally.

### 'Digital Solutions to the Productivity Puzzle' Report

SCDI, ScotlandIS, The Royal Society of Edinburgh and BT Scotland joined forces to produce a policy report - *'Digital Solutions to the Productivity Puzzle'* in January 2016.

With input from a cross-section of industry leaders, it notes that The Scottish Government and all sectors need to focus on utilising the new, world-class digital infrastructure in Scotland for higher economic growth and public service improvements over the next 5 years.

Van Phillips, the US inventor of running blade prosthetic technology, addressed SCDI's 'Innovating to Compete' Lecture in Glasgow







Paul Chong, Director of Watson Group – EMEA, IBM explored 'Humanising the Digital Age' with Forum 2016 delegates

It calls for similar senior appointments across the public and private sectors to provide stronger leadership on digitalisation and action to recruit, train and continually develop more specialist Computer Science teachers. The report also makes recommendations on business transformation, data, skills and infrastructure and joint work to drive up digital adoption, usage, benefits and skills across the Scottish business base.

Availability of Next Generation Broadband in Scotland has increased significantly since 2011, from 41% of premises to 85% in 2015. Further investment has been announced in digital infrastructure in the draft Scottish Budget 2016-17. Around 95% of premises across Scotland will be able to access fibre broadband by the end of March 2018.

The recommendations were developed following research commissioned from the economist John McLaren and discussions by senior representatives of the industry and the public and private sectors in Scotland at a Digital & Productivity Forum.

The research identified that developments in Information and Communications Technology have been, and are likely to

continue to be, a key driver of productivity, but that the impact in the UK has fallen behind the US and other European countries. It also found that while there is a crucial role to be played by invention and innovation as sources of productivity growth, there is an even greater role played by assimilation and 'catching up' by companies who are not at the forefront of technological progress.

It has been estimated that if Scotland became a digital world leader GDP would increase £13bn by 2030, compared to £4bn with only incremental improvements. However, at the National Economic Forum, Deputy First Minister John Swinney MSP commented on the slow speed of digitalisation in Scotland's public sector, while a survey of Scottish businesses has found that over two-thirds are currently classed as 'basic browsers' or 'tentative techies' for digital adoption, usage, benefits and skills.

The report highlights evidence that countries in which digital is contributing most to productivity growth - such as the US - combine ICT investment with new management structures and high skill levels, and that organisational redesigns will be required for Scotland to catch-up with them

and realise the full potential from digital investments. PwC reported that more of the world's leading companies are appointing dedicated digital leaders with responsibility to transform them into a fully digital enterprise, but most are not embracing the Chief Digital Officer role quickly enough.

You can access the '**Digital Productivity**' report via this url:

[www.scdi.org.uk/images/document/PDFs-2016/SCDI-Digital-Solutions-to-Productivity-Puzzle-Report-Jan2016.pdf](http://www.scdi.org.uk/images/document/PDFs-2016/SCDI-Digital-Solutions-to-Productivity-Puzzle-Report-Jan2016.pdf)

In the Digital sphere, SCDI are delighted to be a supporting Partner of the Google #DigitalGarage - a free facility designed to boost the digital knowledge of businesses and citizens in Scotland alike. Keith Brown MSP, Cabinet Secretary for Economy, Jobs & Fair Work at The Scottish Government launched its first Scottish base at the Mitchell Library, Glasgow in September 2016.

This free facility is in place into 2017 and is designed to help businesses increase their skills of all things digital, from search engines to social media and beyond. It offered a wide variety of training masterclasses, 1-2-1 sessions with Google expert advisers, and online options to support digital learning.

Keith Brown MSP, Cabinet Secretary for the Economy, Jobs & Fair Work, The Scottish Government opened Scotland's first Google Digital Garage



## Policy Submissions

SCDI continues to lead and inform policy on behalf of our members through our submissions to both the Scottish and UK Governments, the European Commission, local government, and a range of non-governmental bodies and agencies.

### This year we submitted the following responses on their behalf:

#### Macroeconomy & Fiscal Policy

- HM Treasury in advance of the UK Budget 2016

#### Connectivity

- UK Government Department for Transport on the InterCity West Coast Rail Franchise
- The Scottish Government on The Impact of Modern Technology on Taxi & Private Hire Car Licensing
- The Scottish Government on the 'Scottish Replacement' to Air Passenger Duty (APD)
- Network Rail on its Scotland Route Study
- Transport Scotland on 'Delivering the Goods: Consultation Towards Scotland's Rail Freight Strategy'

#### Energy

- UK Parliament Scottish Affairs Committee on its inquiry into Renewables

#### Sustainability

- The Scottish Government on the Circular Economy

#### Skills & Productivity

- The Scottish Government on the Apprenticeship Levy
- The Scottish Government on 'Creating a Fairer Scotland: Employability Support'

#### Local Economic Development

- The Scottish Government on 'Draft Planning Advice: Housing & Infrastructure'
- The Scottish Government on the Review of Planning - Call for Evidence

#### International

- UK Parliament on the Business, Innovation & Skills Inquiry into Exports and the role of UKTI
- The Scottish Government on its Review of Enterprise & Skills Services

#### Other

- Ofcom in relation to the Review of Regulation of Royal Mail

## Policy Outcomes & Achievements

SCDI has continued to work with our members to influence and shape the development of national, regional and local economic development policy. Examples include:

- SCDI policy report '*From Fragile to Agile: a Blueprint for Growth & Prosperity*' published, focusing action on the economic priorities of Productivity, Innovation and Internationalisation, underpinned by Infrastructure.
- SCDI continued to actively support the development of City Region deals, with both governments now committed to deals for each of Scotland's seven cities.
- SCDI worked with the three Ayrshire Councils and with national and local public, private and education sector partners to support the development of the Ayrshire Growth Deal Prospectus.

Kresse Wesling MBE, Co-Founder, Elvis & Kresse launched the 'Unplugged' business renewable energy initiative at Forum 2016



- Joint policy report 'Digital Solutions to the Productivity Puzzle', recommending the creation of a Chief Digital Officer, was followed by the appointment of CDO to lead digital innovation in local government.
- Enterprise & Skills Review recommended the creation of a new South of Scotland body, similar to Highlands and Islands Enterprise.
- Independent Barclay Review commissioned to review and recommend reforms to business rates.
- UK Government approval for hub airport expansion at Heathrow, with new and safeguarded routes for Scotland, and Scottish Government plans to reduce Air Passenger Duty to improve connectivity.
- UK and Scottish government report on options for high speed rail to central Scotland, with Network Rail now working to identify options with strong business cases.
- Circular economy incorporated into new Scottish Manufacturing Plan and Circular Economy Investment Fund for SMEs launched.
- UK Government made UKTI a Cabinet Minister-led Department, the Department for International Trade; and Scottish Government to create new network of international trade envoys.

SCDI engaged as a member of the Cross Party Steering Group on Post Study Work. The purpose of the Group was to report to Scottish Ministers and formulate more detailed proposals for how a post study work route should operate in Scotland, and produce a set of final conclusions to be presented to the UK Government for consideration. With the Group reporting in March 2016, SCDI noted that retaining international talent in Scotland is key and the reintroduction of a post study work route - as agreed by the Smith Commission - should be a priority for this agenda.

The quality of Scotland's educational institutions attracts highly-talented young people from around the world, and encouraging and enabling more of them to develop their talents in Scottish businesses will increase growth in productivity, innovation and internationalisation - our key economic challenges - which will benefit us all. As the global economy is transformed at an accelerating rate by emerging technologies, Scottish businesses need to be able to recruit key skills to compete successfully.

During the year, SCDI's policy team also contributed as a member of the 'National Needs Assessment UK Infrastructure' Group, Chaired by **Sir John Armitt CBE**. The NNA acts as an advisory group to the UK Infrastructure Commission. SCDI led on policy input regarding Scottish infrastructure needs. With responsibilities for infrastructure in Scotland shared by the UK and Scottish Governments and further devolution and regional decentralisation taking place,

long-term, joined-up policy, investment and delivery is required, such as on energy and connectivity between Scotland, the Northern Powerhouse and London. As part of the NNA group, SCDI sought to develop and input independent, evidence-based and commonly agreed recommendations from a Scottish perspective on the priorities to strengthen and transform our economic infrastructure, such as technological and low carbon, to increase long-term growth and prosperity in Scotland and across the UK.

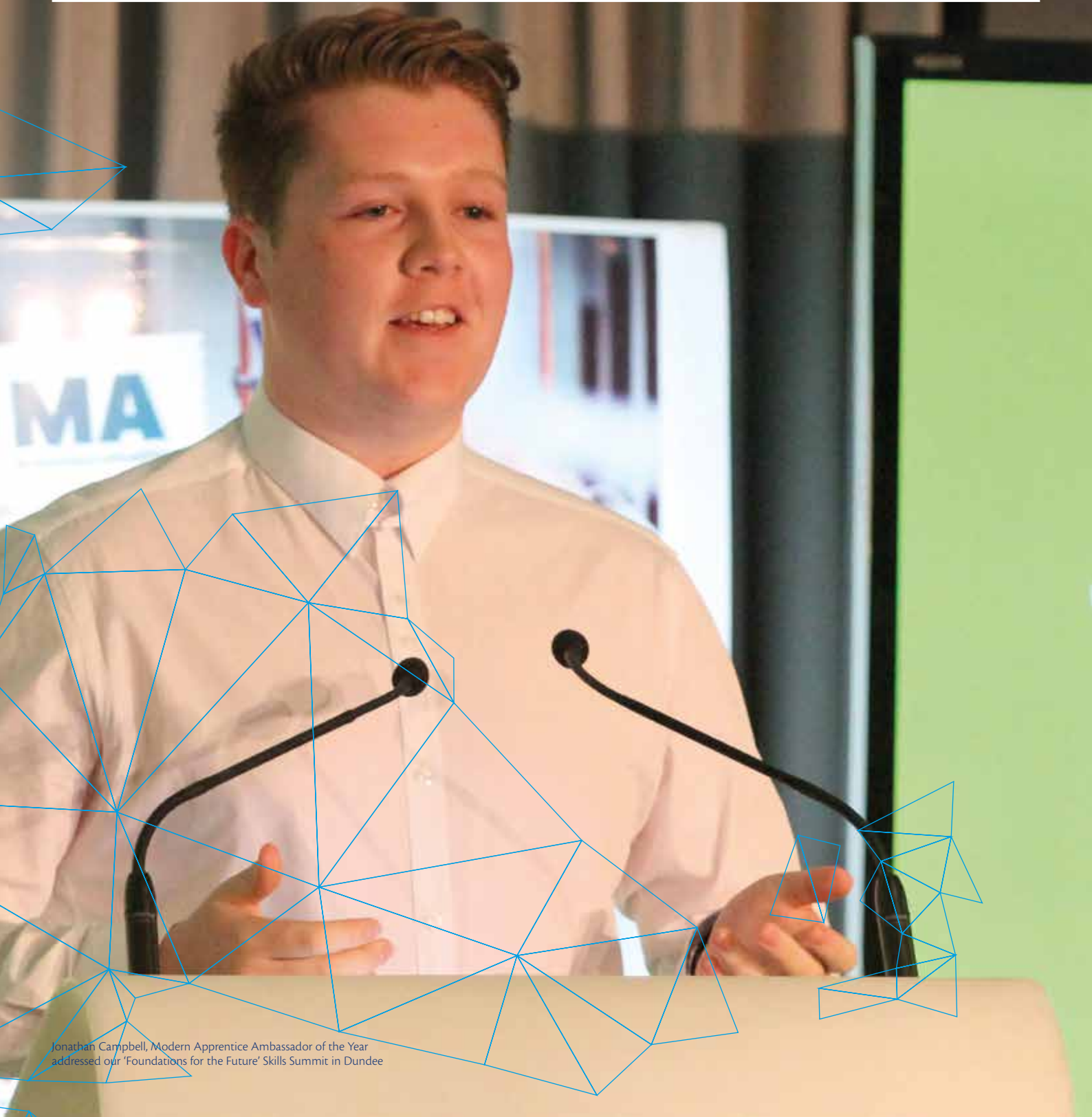
The NNA developed a 25-30 year vision of long term infrastructure needs to provide the NIC with a blueprint for its own National Infrastructure Assessment. The NNA aims to guide the NIC towards the immediate infrastructure interventions required now, the decisions needed to deliver services for the next generation and scenarios for infrastructure needs - including energy, transport, communications, flooding, waste and water - until 2050.



Sir John Armitt CBE, Commissioner for the National Infrastructure Commission & Chair of the National Needs Assessment UK Infrastructure Group addressed SCDI Forum 2016

# Supporting Growth, Competitiveness & Skills

---



Jonathan Campbell, Modern Apprentice Ambassador of the Year  
addressed our 'Foundations for the Future' Skills Summit in Dundee



We delivered a programme of strategic business conferences to share knowledge and expertise, highlight innovative practice and discuss levers to encourage sustainable economic growth.

## Engaging & Delivering

SCDI addressed a number of its policy priorities for the economy, including of course the main themes of Productivity, Innovation, Internationalisation underpinned by Infrastructure and Place from our Blueprint. We delivered a programme of strategic business conferences to share knowledge and expertise, highlight innovative practice and discuss levers to encourage sustainable economic growth.

SCDI supported Social Enterprise Scotland in their 10th Anniversary year in delivering their '*Social Enterprise Exchange - Business Focus*' at the Hub, Edinburgh in November 2015 recognising social enterprises as a dynamic and integral part of the Scottish economy. The launch of the *Social Enterprise In Scotland Census* confirmed that social enterprises make a significant economic and social contribution, verifying the presence of over 5,000 social enterprises providing

112,400 jobs, with £1.15bn in combined traded income and Net collective assets of £3.86bn. It also presented a picture of a sector with a wide range of business services, strong regional representation and a positive outlook on future growth. Addressed by entrepreneurial business leaders and **Marco Biagi MSP**, then Minister for Local Government & Community Empowerment, The Scottish Government, the Business Focus included opportunities for networking and meaningful engagement between social enterprises and the public and private sectors, as well as strategic dialogue discussing the Scottish Business Confidence Monitor and its relationship with social enterprise.

SCDI's Skills Summit 2016, organised in partnership with Skills Development Scotland and entitled '*Foundations for the Future*' took place in Dundee at the end of February. Building on the recommendations of the SCDI Blueprint '*From Fragile To Agile: A Blueprint For Growth & Prosperity*' the

Roseanna Cunningham MSP, Cabinet Secretary for Fair Work, Skills & Training, The Scottish Government opens the SCDI Skills Summit 2016 in Dundee



Summit examined two key skills challenges: improving the transition from school to employment; and enabling people to adapt to the changing nature of the economy. With an opening address from **Roseanna Cunningham MSP**, then Cabinet Secretary for Fair Work, Skills & Training, The Scottish Government, our Summit launched Scottish Apprenticeship Week - an annual celebration led by Skills Development Scotland of the importance of Foundation, Modern and Graduate level Apprenticeships and the benefits they bring to the economy.

The SCDI President's Reception 2016 was hosted during February by the Falkirk Community Trust, in partnership with Scottish Canals at The Helix - home of the world-famous sculpture '*The Kelpies*'. Our guests were welcomed by **Lady Susan Rice CBE**, President of SCDI and then heard about the evolution of The Helix project from **Steve Dunlop**, Chief Executive of Scottish Canals.

SCDI President's Reception 2016 was hosted at The Helix, Falkirk - canal-side home of 'The Kelpies'





Damien Yeates, Chief Executive, Skills Development Scotland with Shirley Campbell & Paul Campbell of Scottish Water discuss Apprenticeships & Fair Work at SCDI's Skills Summit

At SCDI's AGM at the Royal Botanic Garden, Edinburgh in February 2016, former Board Directors **Trevor Garlick** and **Jack McLaren** were both awarded SCDI Fellowships in recognition of their much-valued contribution and service to the organisation.

We delivered a '*Productive Places: Embracing The Emerging Economy*' Conference in Glasgow at the end of September 2016 where, with the growing importance of Place to economic, social & environmental prospects, we explored how we can create more liveable, enlightened & dynamic Cities & Regions that thrive in the emerging economy.

Discussion & debate at this business event centred around 5 main themes: Learning Lessons on the Decentralisation Journey; Planning for Productive Places; Connecting Cities & Regions in the Digital Age; Embracing the Low Carbon Economy; and Smart Cities Scotland. We delivered in partnership with CityFibre, Clyde Gateway, Currie & Brown and Viridor, supported by the Scottish Cities Alliance - who launched their '*Smart Cities Scotland Blueprint*'.

The Conference engaged with speakers including:

- David Altabev** - Senior Programme Manager, Government Innovation, Nesta
- Dr. David Beeton** - Managing Director, Urban Foresight
- Jamie Coleman** - Founder & Managing Director, CodeBase
- Dan Cooke** - Director of Communications & External Affairs, Viridor
- Gillian Docherty** - CEO, The Data Lab
- Councillor Archie Graham OBE** - Depute Leader, Glasgow City Council
- Ian Manson** - Chief Executive, Clyde Gateway
- James McClafferty** - Head of Regional Development - Scotland, CityFibre
- David McIntosh** - Assistant Director, Corporate Finance - Infrastructure, Transport & Government, Ernst & Young
- Elma Murray** - Chief Executive, North Ayrshire Council
- Ritchie Somerville** - Innovation & Futures Manager, The City of Edinburgh Council
- Andrew Thin** - Chair, Scottish Canals
- John Woodhouse** - CEO & Managing Director, The Woodhouse Partnership Ltd
- Chris Yiu** - General Manager Scotland & the North East, Uber

SCDI Skills Summit delegates engaging in Dundee



## Regional Activity

**With a membership network located throughout Scotland, SCDI's regional presence ensures we are able to engage and consult on Scotland's economic agenda with the priorities of the regional economies taken fully into account.**

Our presence in Aberdeen and Inverness supports local committees representing industry leaders across all sectors, engaging directly on policy issues of local significance and incorporating the local perspective in national policy proposals.

Our **Annual Lecture 2016** was held in Aberdeen in January, once again attracting a capacity audience of senior business leaders, politicians and academics. The keynote speaker on this occasion was **Prof. Dame Ann Dowling OM**, President of the Royal Academy of Engineering and Professor of Mechanical Engineering at the University of Cambridge, where she was Head of the Dept. of Engineering 2009-14 and ran the University Gas Turbine Partnership with Rolls-Royce 2001-14.

Dame Ann's address to SCDI members focused on the theme of Innovation - this also being one of the key levers identified by SCDI's Blueprint Report '*From Fragile to Agile: A Blueprint for Growth & Prosperity*' - alongside Productivity, Internationalisation, and Infrastructure - as required to support stronger economic growth which is equitable and sustainable. In giving the SCDI Lecture 2016, Dame Ann Dowling highlighted the benefits innovation can bring to businesses and the economy in general; the role of university/industry research collaborations in driving innovation; and her thoughts on where new technology and innovation can offer gains for the North Sea oil and gas industry in the short, medium and long term.

Prior to delivering her Lecture, Dame Ann Dowling engaged with local secondary school pupils when she visited the nearby Dyce Academy, who showcased their developing STEM-related (Science, Technology, Engineering & Maths) skills through their ongoing work as one of over 1,400 SCDI YESC (Young Engineers & Science Clubs Scotland) Clubs throughout all 32 Local Authority areas.



Dame Ann Dowling OM delivered the SCDI Annual Lecture 2016 keynote Address on an Innovation theme

Dyce Academy's exciting activities include computer programming, electronics, construction, energy, chemical and civil engineering related project challenges.

SCDI continues to support North East Business Week each spring with our delivery partners Elevator, Aberdeen & Grampian Chamber of Commerce and the Federation of Small Businesses. The sixth NEBW in mid-April 2016 had the theme of '*Entrepreneurship Driving Growth*'.



Jane Cumming, SCDI H&I Vice-Chair welcomes guests in Inverness to the SCDI Highlands & Islands Business Excellence Awards 2016

The 17th **SCDI Highlands & Islands Business Excellence Awards** took place in Inverness in September 2016, attended by a capacity audience from across the business and civic community. **The Rt Hon David Mundell MP**, Secretary of State for Scotland delivered the keynote address, with entertainment and Awards-hosting from well-known comedian **Tim Vine**. Awards were presented during the evening to a range of Highlands & Islands enterprises and organisations having demonstrated excellence in their field.

Both our Annual Lecture and Business Excellence Awards evenings are firmly established as must-attend business events in the North-East and Highland calendars.



## SCDI Highlands & Islands Business Excellence Awards 2016

### **Benromach Award for Excellence in International Business**

Winner - Tomatin Distillery Co.

### **The Crown Estate Award for Excellence in a Marine Business**

Winner - Ferguson Transport & Shipping

### **Heathrow Airport Award for Outstanding Business Ambassador**

Recipient - Stuart Black, Director of Development & Infrastructure,  
The Highland Council

### **Highlands and Islands Enterprise Award for Excellence in Research & Innovation**

Winner - Copernicus Technology Ltd

### **ScotRail Business Direct Award for Excellence in Business Service & Engagement**

Winner - Exclamation Marketing

### **SEPA Award for Excellence in Environmental Sustainability**

Winner - LifeScan Scotland Ltd

### **SCDI Award for Excellence in People Development**

Winner - Parklands Care Group

### **SCDI Highlands & Islands Chairman's Award for Outstanding Business Achievement**

Recipient - Robertson Group

*A Highly-Commended recognition was also made in this category to  
North Highland Initiative*

Also recognised at the Awards Dinner were Farr High School, who  
received the **SCDI Award for H&I Young Engineers & Science  
Club of the Year 2016**



Michael Urquhart, SCDI H&I Chair & guest speaker Secretary of State for Scotland  
David Mundell MP with Derek Shewan of Robertson Group – Winners of the SCDI H&I  
Outstanding Business Achievement Award in Inverness

## Together we can enrich our communities, build economic resilience and raise our competitiveness and standing on the world stage



Guests networking with Dame Ann Dowling OM in Aberdeen

In addition to its established programmes in the North of Scotland, SCDI has strengthened links with key stakeholders in a number of regional economies throughout the year to consolidate and further develop its regional development activities. **City Region Deals** being developed across all of Scotland are proving a key economic driver and are strongly welcomed by SCDI.

Ayrshire, Tayside, Dumfries & Galloway and Stirling/Forth Valley areas have been particular regions of focus amongst others during the year, with SCDI supporting and facilitating work towards city and/or region growth deals in these areas. SCDI have input into local economic development forums and strategic roundtable discussions with key partners and business representatives. In Stirling, SCDI supported the STEP Stirling InBusiness business seminar programme and delivered a 'Driving Stirling's Digital Economy' Influencers' Dinner at Forth Valley College. In Falkirk area, we hosted our SCDI President's Reception at the Helix 'Kelpies' canal development, and held a 'Scotland's Economic Growth' Business Breakfast during Scotland's Towns Week at the Falkirk Hub.

In Dundee, in addition to our SAW'16 SCDI Skills Summit 'Foundations for the Future' being held in the city, we also delivered a Tay Cities Influencers' Dinner with guest speaker Mike Blackburn OBE. During Dumfries & Galloway Business Week, we hosted an 'Investing for Growth' business dinner with the Secretary of State for Scotland, David Mundell MP, as guest speaker, following on from our contribution to the Dumfries & Galloway Regional Economic Strategy 2015-2020. In Ayrshire, SCDI continues our support of the three Local Authorities in their development of the Ayrshire Growth Deal bid, including hosting Business Breakfasts to explore the economic opportunities.

SCDI continues to support the delivery of the **Scottish Cities Alliance**, and hosts the dedicated programme delivery management team within SCDI's head office. The Scottish Cities Alliance is the unique collaboration of Scotland's seven cities - Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Perth and Stirling - and the Scottish Government working together to promote the country's great economic potential.



SCDI North East Committee Chair, Colin Parker of Aberdeen Harbour, welcomes guests to the SCDI Annual Lecture 2016

Scotland offers huge potential to international investors and the Alliance has great ambitions for Scotland's city economies which are high quality locations in which to do business. With a Pitch Book showcasing £7.5 billion of exciting investor-ready opportunities across the seven cities, the Alliance aims to attract external investment, stimulate economic activity and create business growth.



Farr High School, recipients of the SCDI Award for H&I Young Engineers & Science Club of the Year 2016 with Tim Vine in Inverness

The range of propositions highlights smart cities, low carbon and hydrogen initiatives to potential investors. Scotland's cities have made considerable progress in adopting open data and smart technologies which will drive innovation, create new business and increased employment opportunities as well as help them deliver city services in a more effective and sustainable way to attract investors and residents. The Alliance also aims to drive forward the agenda for a low carbon future to help lessen the impact of climate change and ensure the future economic prosperity of Scotland. The £10 million hydrogen fuel cell project is at the forefront of this work which will allow Scotland to position itself as one of Europe's leading adopters of hydrogen technology.



# Scotland in the Global Economy

---





**Scotland's place in the global economy is a core issue for SCDI, with further internationalisation of Scotland's economy one of the key strands of our strategic plan. Helping Scottish businesses to internationalise is a key objective in SCDI's agenda for the sustainable growth of Scotland's economy.** SCDI has pioneered and promoted international trade since the 1960s, and our membership encompasses highly experienced and successful global players through to those businesses with ambitions to take their first steps into global markets.

SCDI was delighted to host a Strategic Roundtable Discussion for the UK Ambassador to Italy, **Christopher Prentice CMG** in December 2015. Italy has a long-standing trade relationship with the UK and is currently the UK's 7th largest trading partner with exports worth £8m annually. Italy is also a market of strategic significance and is regarded as the gateway to the Mediterranean and a crossway to Europe, Africa and the Middle East. The Roundtable Discussion was attended by a diverse range of Scottish companies who have an active interest in the Italian market.

The discussion focused on a number of key issues around doing business in Italy including challenges and opportunities alongside economic and cultural issues. Following the roundtable discussion, the Ambassador visited SCDI member company Tennents (C&C Group), touring their facilities and discussing their international business activity in Italy - which is Tennent's largest export market, with sales of their lager in Italy increasing 57% since the brewery resumed exports in 2012.



### Exporting Is GREAT - SCDI Campaign Partners

The UK Government launched a new and unique 5 year programme presenting real-time export opportunities for UK businesses. This is part of a move to get 100,000 additional companies exporting by 2020. The campaign, which is funded by HM Government, is being organised in Scotland by both the UK and Scottish Governments and is a collaborative partnership between (then UKTI) now the Department for International Trade, SDI, Scottish Enterprise, HIE, the Scotland Office, the Scottish Government and SCDI.

Launched UK-wide in November 2015 in Gateshead, and with its Scottish launch taking place in February 2016 at Hampden Park, Glasgow with both the Deputy First Minister **John Swinney MSP** and the Secretary of State for Scotland **David Mundell MP**, Exporting is GREAT is part of the GREAT campaign. Research demonstrates that exporters - of all sizes - are more productive, innovative and resilient to economic downturns. As the world becomes ever more globalised and digital, the potential for Scottish businesses to reach out to new customers and lucrative new international markets has never been greater. Exporting is GREAT showcases live export opportunities, and provides advice and support to help your business begin exporting from initial interest to selling in market. Every day around the world, someone somewhere wants or needs your products or services. Hundreds of live export opportunities are being made available on an ongoing basis at [www.exportingisgreat.gov.uk](http://www.exportingisgreat.gov.uk)



The 'Exporting is GREAT' campaign in Scotland was launched in February 20-16 at Hampden Park Glasgow by Deputy First Minister John Swinney MSP & Secretary of State for Scotland David Mundell MP (image courtesy of Chris Watt Photography)



Paul Grant, Chairman of Mackays Ltd discussed 'Exporting for Growth' at SCDI's International Business Summit 2016

The Exporting is GREAT Export Hub truck - a mobile flexible events space - made two tours of Scotland during 2016, which SCDI were partners of. Giving face-to-face support and guidance to exporters and using the latest technology to connect businesses with export opportunities, the first tour in Spring visited Glasgow, Aberdeen, Dundee and Edinburgh; with the second extended tour during Autumn 2016 reaching Gretna in Dumfries & Galloway, Ayrshire's Prestwick Airport, Cairndow in Argyll, the Isle of Skye, Inverness, Forres in Moray, Perthshire and St. Andrews in Fife.

In June 2016, SCDI hosted a roundtable discussion with the Foreign & Commonwealth Office, and the new Heads of Overseas Missions, with representatives from the Holy See, Georgia and Tanzania.

Building on the success of our inaugural International Business Summit held in St. Andrews, in 2016 our International Business Summit 'Global Ambition: Sharing & Building Export Success' moved to Glasgow in June.

Delivered in partnership with Bank of Scotland, Brodies LLP, UK Export Finance and VisitScotland, this year's Summit built on key themes from SCDI's Blueprint for Growth & Prosperity 'From Fragile to Agile' which identifies Internationalisation as one of Scotland's key economic priorities for future growth. The conference focused on delivering business-led export growth for Scotland's economy, helping existing exporters to build on their successes; and encouraging and supporting new exporters to take their early steps with confidence. The Summit showcased some of Scotland's leading exporters and discussed practical measures which lead to successful business exporting, including collaboration and access to finance.

#### **SCDI International Business Summit 2016 Keynote contributors included:**

**Jaap Matthijsen** - International Development Director, A.G.Barr plc

**Wendy Alexander** - Vice-Principal (International), University of Dundee

**Andrea Pozzi** - Managing Director, C&C Brands and C&C International

**Michael Urquhart** - Chair, SCDI International Business Committee

**Paul Grant** - Chairman, Mackays Ltd

**Malcolm Roughead OBE** - Chief Executive, VisitScotland

**Colin Walls** - Head of Region, Trade & Working Capital, Bank of Scotland

**Steve McDonald** - Implementation Director & Co-Founder, SgurrEnergy Ltd

**Carol Harvey** - Export Finance Advisor - Scotland, UK Export Finance

**William McIntosh** - Partner, Brodies LLP

**Richie McBride** - Managing Director & Co-Founder, Edesix Ltd

**Rachel Jones** - Founder, Totseat & SnapDragon-ip

**Carl Paraskevas** - Senior International Macroeconomist, Bank of Scotland (Lloyds Banking Group)

**Susan Livingston** - Global Marketing Manager, BioReliance

**Michael Stewart** - Group Finance Director, Alexander Dennis Ltd

The Summit developed the work of SCDI's International Business Committee, which comprises leading exponents of exporting success across a range of business sectors, under the Committee chairmanship of whisky industry stalwart and 'Master of the Quiach' Michael Urquhart. Our IBC meets regularly to discuss international business issues and help guide SCDI in our international activity.

During the year, SCDI submitted its responses to the UK Parliament on the Business, Innovation & Skills Inquiry into Exports and the role of UKTI; and to The Scottish Government on its Review of Enterprise & Skills Services, including international trade support.



Wendy Alexander, Vice Principal (International), University of Dundee explored 'Global Knowledge & Collaboration' at SCDI's International Business Summit 2016

The Rt Hon Dr Liam Fox MP, Secretary of State for International Trade, UK Government engaged with SCDI members at a business roundtable discussion in Edinburgh



## Post EU Referendum Roundtable Discussions with Scottish & UK Governments

SCDI met with senior new Ministers in both the Scottish and UK Governments to discuss how - in the current economic climate and following June 2016's EU Referendum - to improve support for Productivity, Innovation, Internationalisation and Infrastructure.

**Keith Brown MSP**, who became Cabinet Secretary for the Economy, Jobs & Fair Work, The Scottish Government following the May 2016 Scottish elections, met a group of members of SCDI's Board and Policy Committee in August 2016. The discussion particularly focused on The Scottish Government's Review of Enterprise & Skills Services and SCDI's response.

The Cabinet Secretary also highlighted and asked for input into urgent work to identify current barriers to investment which government and industry may be able to address; and into work to map Scotland's international networks.

The Rt Hon Dr Liam Fox MP, the UK's first Secretary of State for International Trade at Cabinet level since 1983, met members of SCDI's International Business Committee and other exporters on his first visit to Scotland in late August 2016 following the creation of the new UK Government's Department for International Trade. The Minister outlined a range of early actions and priorities. The discussion and proposals from exporters especially focused on the need for easy-to-access, joined-up and seamless support for businesses (as recommended in the 'Wilson Review of Support for Scottish Exporting'); to increase practical export know-how among businesses and support services; for ongoing support for exporters following market entry to help build market share; to utilise all overseas networks more effectively; for stronger, more high-profile commercial diplomacy; and for greater support for the protection of Intellectual Property, for example for key sectors and SMEs and on e-commerce platforms.

The challenges for businesses of the decision to Leave the EU were raised, as well as the priorities for international trade negotiations, and the need to ensure that the skills in government and industry change and are improved to meet the post-Brexit challenges and opportunities.

As previously noted, SCDI is a lead partner in Scotland in the 'Exporting Is GREAT' campaign, the UK's unique interactive Export Hub which toured Scotland to give face-to-face support and guidance to exporters, using the latest technology to connect businesses with export opportunities.

SCDI is also a member of the First Minister's Post-Referendum Business Network which will help to shape policy and support, including the development by The Scottish Government of a dedicated service to provide information and support to businesses affected by the EU Referendum.

SCDI hosted a Business Roundtable session with **David Gauke MP**, Chief Secretary to The Treasury and a cross-section of our members at the offices of Standard Life plc, Edinburgh in September 2016 on the theme of *'Ambitious businesses in Scotland open their doors to future opportunities'*. The Chief Secretary to The Treasury met companies to discuss their businesses and hear how they can continue to play a significant role in Scotland and the UK's economic success.

The Chief Secretary to the Treasury noted that Scottish businesses are some of the UK's outstanding successes, exporting more than £75bn of goods and services. SCDI highlighted the need to maintain economic stability and growth at home, while opening up more trade opportunities around the world, being key for Scottish businesses at present. SCDI is working on this agenda with both the UK and Scottish Governments.

In September 2016, SCDI welcomed **His Excellency, Ľubomír Rehák**, Ambassador of the Slovak Republic to the Court of St. James's on his first official visit to Scotland. We hosted a roundtable discussion in Edinburgh between the Ambassador and a diverse range of SCDI members to discuss Slovakia's economic priorities during its Presidency of the Council of the European Union, and trade and investment links between Scotland and Slovakia.



# Inspiring Future Generations



**"The YESC programme is proving to have an impressive record of encouraging the pupils involved in it to choose to pursue science, technology, engineering and mathematics (STEM) studies beyond school. The Club members I've met are enthusiastic with an incredible talent for new thinking and generating ideas which they can eloquently and confidently present and demonstrate."**

Dr Alasdair Allan MSP, (then) Minister for Learning, Science & Scotland's Languages, The Scottish Government



Denend Primary School pupils showcase their YESC project work to delegates at our SCDI Forum 2016 in St Andrews

**SCDI's exciting Young Engineers & Science Clubs (YESC) programme has continued to develop and expand as a leading source of inspiration, practical engagement and tailored STEM-focused resources for Scotland's young people.**

A Scotland-wide Primary and Secondary education programme which brings science and technology to life in the classroom, YESC now has more than 1,400 schools in our network, involving over 30,000 young scientists and engineers engaging in Clubs the length and breadth of the country, across all 32 Local Authority areas in Scotland.

With many private and public sector partners supporting our YESC initiative, they help us to provide a range of free STEM (Science, Technology, Engineering & Maths) resources and bespoke project kits which are put to inspiring use in primary and secondary level Clubs. A portfolio of resources is provided across a range of disciplines, and numerous CPD training courses for teachers across Scotland have been delivered using these materials.

Our Scotland-wide YESC Celebration of Science & Engineering 2016 took place in Glasgow in June at the Glasgow Science Centre, with hundreds of young engineers & scientists, accompanied by their teachers and leaders, competing in exciting industry-developed STEM challenges with pupils competing for a series of Awards. The ultimate accolade of Club of the Year 2016 was won by Sir E.Scott Primary, Isle of Harris (Primary School Award) and Alness Academy, Highland (Secondary School Award). Successful pupils were presented at the Celebration with their awards by Jamie Hepburn MSP, Minister for Employability & Training, The Scottish Government.

In addition, YESC Regional Celebrations of Science & Engineering took place in Dundee, Ayrshire, Inverness and Aberdeen throughout March 2016.

**Key YESC programme highlights from the academic year 2015/16 include:**

- 850 grants and free STEM resources were distributed to schools
- 38 events were held across Scotland - from Shetland to Dumfries
- 157 new schools were warmly welcomed to our network of over 1400 schools
- 30,000+ school pupils were engaged in our STEM programmes
- Record attendance of 60 schools at our Celebration of Engineering & Science at Glasgow Science Centre in June 2016.
- 3 new projects were developed and launched by the YESC team, including 'Go Forth!' (civil engineering), 'Tweety Pi' (coding) and 'I'm an Engineer, I Can Help Here!' (flooding emergency challenge).

Throughout this year, SCDI and YESC were also pleased to support the Scottish Contractors Group in their delivery of a series of STEM-focused Skills events for secondary school pupils - which were hosted

by Sir Robert McAlpine Ltd; Interserve; Galliford Try/Morrison Construction; BAM; and Morgan Sindall in Glasgow, Edinburgh, Inverness, Dundee and Aberdeen. This interactive series held at key current construction projects in the cities aimed to demonstrate to secondary pupils the wide variety of skills and career opportunities involved across the construction and engineering sectors.

YESC is kindly supported and funded by a number of industry Partners who enable us to continue to inspire pupils across Scottish schools through engaging with STEM projects. During the year, our Lead Partners of YESC were: Shell U.K. Limited, The Scottish Government and Skills Development Scotland. Our Principal Partners were BAE Systems, BP plc, BT Scotland, Chevron, Morrison Construction, OPITO, TAQA Bratani Ltd, Tomorrow's Engineers and Wood Group.



Female school pupils took part in our 'Watts Watt 250' celebration STEM event at Glasgow City Chambers

## SCDI Partners

We would like to acknowledge the Partnership support provided by the following members.

A full list of SCDI members can be found at [www.scdi.org.uk](http://www.scdi.org.uk)

Abellio	abellio.com	Crowne Plaza Aberdeen Airport	cpaberdeen.com
Aberdeen City Council	aberdeencity.gov.uk	Currie & Brown	curriebrown.com
Aberdeen Harbour	aberdeen-harbour.co.uk	Davidson Chalmers LLP	davidsonchalmers.com
Aberdeen International Airport	aberdeenairport.com	Deloitte LLP	deloitte.co.uk
Aberdeen Science Centre	aberdeensciencecentre.org	Denchi Power	denchipower.com
Accenture	accenture.com	Diageo	diageo.com
Active Aberdeen Partnership	sportaberdeen.co.uk/home/active- aberdeen-partnership	Drumossie Hotel	drumossiehotel.co.uk
Amec Foster Wheeler	amecfw.com	Dumfries & Galloway Council	dumgal.gov.uk
Anglian Water Business (National) Ltd	anglianwaterbusiness.co.uk	Dumfries House	dumfrieshouse.org.uk
Ardoe House Hotel & Spa	mercure.com	Dundee Science Centre	dundeesciencecentre.org.uk
AWPR/B-T	transport.gov.scot/project/aberdeen- western-peripheral-route-balmedie- tipperty	East Ayrshire Council	east-ayrshire.gov.uk
BAE Systems	baesystems.com	ELEVATOR	elevatoruk.com
Balmoral Group	balmoral-group.com	EnerMech Ltd	enermech.com
Bank of England	bankofengland.co.uk	Engineering Construction Industry Training Board	ecitb.org.uk
Bank of Scotland	bankofscotland.co.uk	EY	ey.com
Barrhead Travel	businessstravelsolutions.com	Falck Safety Services	falck.co.uk/safety/services
The Beach Ballroom Aberdeen	aberdeencity.gov.uk/Venues/bb/ ven_beach_ballroom.asp	Falkirk Community Trust	falkirkcommunitytrust.org
Bear Scotland	bearsot.com	Forth Valley College	forthvalley.ac.uk
Benromach Distillery	benromach.com	Gatwick Airport	gatwickairport.com
The BIG Partnership	bigpartnership.co.uk	Glasgow Marriott Hotel	marriott.com/hotels/travel/gladt- glasgow-marriott-hotel
Big Lottery Fund	biglotteryfund.org.uk/scotland	Glasgow Science Centre	glasgowsciencecentre.org
Bond Dickinson LLP	bond Dickinson.com	GlaxoSmithKline	gsk.com
Booth Welsh	boothwelsh.co.uk	Gordon & MacPhail	gordonandmacphail.com
BP p.l.c	bp.com	The Gordon Highlanders Museum	gordonhighlanders.com
Breedon Aggregates	breedongroup.com	Hallmark Hotel Aberdeen Airport	hallmarkhotels.co.uk/hotels/aberdeen
Bright Green Hydrogen	brightgreenhydrogen.org.uk	Hampden Park	hampdenpark.co.uk
Brightsolid	brightsolid.com	Heathrow Airport	heathrow.com
British Airways	britishairways.com	The Highland Council	highland.gov.uk
Brodies LLP	brodies.com	The Highland Military Tattoo	highlandmilitarytattoo.com
Browns Glasgow	browns-restaurants.co.uk/restaurants/ scotlandandnorthernireland/glasgow	Highlands & Islands Airports Ltd	hial.co.uk
BT Scotland	btplc.com	Highlands and Islands Enterprise	hie.co.uk
Burness Paull LLP	burnesspaull.com	HITRANS	hitrans.org.uk
Caithness & North Sutherland Regeneration Partnership	cnsrp.org.uk	Hunting Energy Services	hunting-intl.com
Caledonian MacBrayne	calmac.co.uk	IBM	ibm.com/uk/en
Caledonian Sleeper	sleeper.scot	Institute of Physics in Scotland	iop.org
Carmelite Aberdeen	carmelitehotels.com	Institution of Civil Engineers	ice.org.uk
Centre on Constitutional Change	centreonconstitutionalchange.ac.uk	Institution of Mechanical Engineers	imeche.org
The Chester Hotel	chester-hotel.com	Johnstons of Elgin	johnstonscashmere.com
Chevron North Sea Ltd	chevron.com	Inverness College UHI	inverness.uhi.ac.uk
City Building (Glasgow) LLP	citybuildingglasgow.co.uk	James Hutton Institute	hutton.ac.uk
CityFibre	cityfibre.com	The Kingsmills Hotel	kingsmillshotel.co.uk
Clyde Gateway	clydegateway.com	The Law Society of Scotland	lawscot.org.uk
The Crown Estate Scotland Portfolio	thecrownestate.co.uk/our-business/ in-scotland	LDM Integrated Communications	ladmarketing.co.uk
		Ledingham Chalmers LLP	ledinghamchalmers.com
		Leonardo	leonardocompany.com/en
		LifeScan Scotland Ltd	lifescan.co.uk
		Lloyd's Register EMEA	lr.org
		Lufthansa	lufthansa.com

Maclay Murray & Spens LLP	maclaymurrayspens.co.uk	Scottish Oil Club	scottishoilclub.org.uk
Macrae & Dick	macraeanddick.co.uk	ScottishPower	scottishpower.com
MacRoberts LLP	macroberts.com	Scottish Water	scottishwater.co.uk
MadeBrave Ltd	madebrave.com	Shell U.K. Limited	shell.com
The Marcliffe Hotel & Spa	marcliffe.com	Sigma Aldrich	sigmaaldrich.com
Marine Harvest (Scotland)	marineharvest.com	Skills Development Scotland	skillsdevelopmentscotland.co.uk
Merck	merck.co.uk	Social Enterprise Scotland	socialenterprisescotland.org.uk
Michelin	michelin.co.uk	Sodexo Prestige, Aberdeen FC	prestigevenuesandevents. sodexo.com/venues/8/aberdeen- football-club
Montrose FC	montrosefc.co.uk		
Moray Estates	morayestates.co.uk	South Ayrshire Council	south-ayrshire.gov.uk
Morrison Construction	morrisonconstruction.co.uk	Sporting Chance Initiative	sportingchanceinitiative.co.uk
Muckle Media	mucklemedia.co.uk	Springfords LLP	springfords.com
National Grid	nationalgrid.com	The SSE Hydro	thessehydro.com
The National Trust for Scotland	nts.org.uk	SSE Renewables	ssec.com
NCR	ncr.com/home	SSEC	ssec.co.uk
NESTRANS	nestrans.org.uk	STEP Stirling	stepstirling.co.uk
Network Rail	networkrail.co.uk	Stirling Venues	stirlingvenues.com
Nigg Skills Academy	niggskillsacademy.com	Stronachs LLP	stronachs.com
North Ayrshire Council	north-ayrshire.gov.uk	STV Group	stvplc.tv
North Highland Initiative	northhighlandinitiative.co.uk	TAQA	taqaglobal.com
Oil & Gas UK	oilandgasuk.co.uk	Tay Cities Partners	taycities.co.uk
OPITO	opito.com	Thales	thalesgroup.com/en
Opportunity North East	opportunitynortheast.com	The Times Scotland	thetimes.co.uk
Oracle Corporation	oracle.com	Tomorrow's Engineers	tomorrowsengineers.org.uk
Park Inn Aberdeen	parkinn.co.uk/hotel-aberdeen	TOTAL E&P UK Limited	uk.total.com
Perfect Manors, Achnagairn Castle	perfect-manors.com	Tulloch Homes	tulloch-homes.com
Platform PR	platformpr.co.uk	Turner FM	turnerfm.co.uk
The Press & Journal	pressandjournal.co.uk	UK Export Finance	ukexportfinance.gov.uk
Pulsant	pulsant.co.uk	UKTI/ then Dept.for International Trade	great.gov.uk/uk
Robert Gordon University	rgu.ac.uk	University of Edinburgh	ed.ac.uk
Robertson Training	robertsontraining.co.uk	University of the Highlands and Islands	uhi.ac.uk
The Royal Bank of Scotland	rbs.co.uk	University of Stirling	stir.ac.uk
Royal Botanic Garden Edinburgh	rbge.org.uk	University of Strathclyde	strath.ac.uk
The Royal Society of Edinburgh	royalsoced.org.uk	University of the West of Scotland	uws.ac.uk
RSM UK Tax & Accounting Ltd	rsmuk.com	Virgin Trains	virgin.com/trains
Santander	santander.co.uk	Viridor	viridor.co.uk
Scotch Whisky Association	scotch-whisky.org.uk	VisitScotland	visitscotland.org
ScotlandIS	scotlandis.com	William Grant & Sons	williamgrant.com
ScotRail Business Direct	scotrail.co.uk/businessdirect	Wood Group	woodgroup.com
Scottish Business Resilience Centre	sbrcentre.co.uk	Worldwide Cancer Research	worldwidecancerresearch.com
Scottish Canals	scottishcanals.co.uk	Zero Waste Scotland	zerowastescotland.org.uk
Scottish Centre for Excellence in Dentistry	scottishdentistry.com		
Scottish Cities Alliance	scottishcitiesalliance.co.uk		
Scottish Contractors Group	scottishcg.org.uk		
Scottish Enterprise	scottish-enterprise.com		
Scottish Environment Protection Agency	sepa.org.uk		
The Scottish Government	scotland.gov.uk		
Scottish Natural Heritage	snh.gov.uk		



# SCDI Board & Committees / SCDI Fellows

(All information as of Financial Year End 30 September 2016)

## Lady Susan Rice CBE President, SCDI

### Board Directors 2015/16

**Brendan Dick**  
Chair, SCDI  
BT Scotland

**Dame Sue Bruce DBE**  
(Deputy Chair, SCDI -  
until August 2016)  
Private Member

**Stewart Carruth**  
Stirling Council

**Jane Cumming**  
Vice Chair, SCDI Highlands  
& Islands Committee  
Platform PR

**Heather Dunk OBE**  
Ayrshire College

**James Fowlie**  
COSLA

**Iseabail Mactaggart**  
MG Alba

**Willie Maltman**  
Future Proof Learning

**Ross Martin**  
SCDI

**Deirdre Michie**  
Oil & Gas UK

**Steve Montgomery**  
FirstGroup

**Colin Parker**  
Chair, SCDI North East  
Committee  
Aberdeen Harbour

**Malcolm Robertson**  
Chair, SCDI London  
Committee  
Charlotte Street Partners

**Nora Senior**  
Scottish Chambers of  
Commerce

**Grahame Smith**  
STUC

**Michael Urquhart**  
Finance Adviser, SCDI  
& Chair, SCDI Highlands &  
Islands Committee

**Ian Wall**  
Deputy Chair, SCDI  
(Appointed September 2016)  
Private Member

**Audrey McHugh**  
Company Secretary

### Policy Committee

**Brendan Dick**  
Chair, SCDI  
BT Scotland

**Dame Sue Bruce DBE**  
(Deputy Chair, SCDI -  
until August 2016)

**George Baxter**  
SSE Renewables

**Kersti Berge**  
Ofgem

**Stephen Boyd**  
STUC

**Paul Brewer**  
PwC

**Carroll Buxton**  
Highlands & Islands Enterprise

**David Cameron**  
EDF Energy

**Jane Cumming**  
Vice Chair, SCDI Highlands  
& Islands Committee  
Platform PR

**Stewart Carruth**  
Stirling Council

**Caroline Donaldson**  
Kynesis

**Prof Pete Downes**  
Universities Scotland

**Bill Duguid**  
Ryden

**Heather Dunk OBE**  
Ayrshire College

**Peter Farrer**  
Scottish Water

**James Fowlie**  
COSLA

**David Frost**  
Scotch Whisky Association

**Cllr Stephen Hagan**  
COSLA

**Gillian Henderson**  
Bank of Scotland

**Paul Little**  
City of Glasgow College

**David Lonsdale**  
Scottish Retail Consortium

**Calum MacDonald**  
SEPA

**Iseabail Mactaggart**  
MG Alba

**Padraig McCloskey**  
(Shell representative  
until September 2016)  
Shell U.K. Limited

**Willie Maltman**  
Future Proof Learning

**Ross Martin**  
SCDI

**Deirdre Michie**  
Oil & Gas UK

**Alexandra Miller**  
The National Library of  
Scotland

**Steve Montgomery**  
FirstGroup

**Maggie Morrison**  
CGI IT UK

**Kirk Murdoch**  
Pinsent Masons LLP

**Vicki Nash**  
Ofcom

**Duncan Osler**  
MacRoberts LLP

**Colin Parker**  
Chair, SCDI North East  
Committee  
Aberdeen Harbour

**Graham Paterson**  
City Building (Glasgow)

**Julie Pirone**  
Royal Mail Group

**Ronnie Quinn**  
The Crown Estate Scotland  
Portfolio

**Jane Richardson**  
Oracle

**Malcolm Robertson**  
Chair, SCDI London  
Committee  
Charlotte Street Partners

**David Rodger**  
(Shell representative  
from October 2016)  
Shell U.K. Limited

**Kenneth Ross OBE**  
Ross Developments &  
Renewables

**Malcolm Roughead**  
VisitScotland

**Nora Senior**  
Scottish Chambers of  
Commerce

**Alastair Sim**  
Universities Scotland

**Douglas Smith**  
CBRE

**Grahame Smith**  
STUC

**Ian Smith**  
Diageo

**Matt Smith OBE**  
Private Member

**Tim Smith**  
BP plc

**Niall Stuart**  
Scottish Renewables

**Sara Thiam**  
Institution of Civil Engineers

**Michael Urquhart**  
SCDI Finance Adviser;  
Chair, International Business  
Committee

**Scott Walker**  
NFU Scotland

**Ian Wall**  
Deputy Chair, SCDI  
(Appointed September 2016)  
Private Member

**George Watt**  
STV Group

**Andy Willox OBE**  
FSB Scotland

**Damien Yeates**  
Skills Development Scotland

### Observers

**Joe Brown**  
The Scottish Government

**William Dowson**  
Bank of England

**Mary McAllan**  
The Scottish Government

### International Business Committee

**Michael Urquhart**  
Chair, SCDI International  
Business Committee

**Su Cox**  
The Scottish Salmon Company

**Martin Bell**  
The Scotch Whisky  
Association

**Afzal Khushi CBE**  
Trespass

**Marcus Kneen**  
IndigoVision Plc

**Scott Landsburgh**  
Scottish Salmon Producers'  
Organisation

**Jaap Matthijsen**  
A G Barr Plc

**William McIntosh**  
Brodies LLP

**Dick Philbrick**  
Clansman Dynamics Ltd

**Bertrand Pons**  
SUEZ Purification &  
Disinfection Systems Ltd

**Andrea Pozzi**  
C&C Group International

**Stephen Telford**  
High Voltage Instruments

**Ian Walker**  
Johnson & Johnson

**Colin Walls**  
Bank of Scotland



Trevor Garlick & Jack McLaren are presented with their SCDI Fellowships

## Highlands & Islands Committee

**Michael Urquhart**  
Chair, H&I Committee

**Jane Cumming**  
H&I Vice Chair  
Platform PR

**David Alston**  
NHS Highland

**Stuart Black**  
Highland Council

**Steve Bracken**  
Marine Harvest (Scotland)

**Carol Buxton**  
Highlands and Islands Enterprise

**Tom Campbell**  
North Coast 500

**Sandy Cumming CBE**  
Port of Cromarty Firth

**Robbie Drummond**  
David MacBrayne

**Chris Gaffney**  
Johnstons of Elgin

**Rhona Gunn**  
Moray Council

**Bill Hamilton**  
KLM Partnership

**Alastair Kennedy**  
Global Energy Group

**Stephen Knight**  
Mott MacDonald

**Fiona Larg**  
University of the Highlands & Islands

**Inglis Lyon**  
Highlands and Islands Airports

**Kevin McCreath**  
Scottish Water

**Donald McLachlan**  
Morrison Construction

**Joe Moore**  
Scottish Natural Heritage

**Belinda Murphy**  
Rio Tinto

**Ranald Robertson**  
HITRANS

**John Scott**  
LifeScan Scotland

**Marianne Townsley**  
SSE

## North-East Committee

**Colin Parker**  
NE Chair  
Aberdeen Harbour

**Dr James S Milne CBE**  
NE Vice Chair  
Balmoral Group Holdings

**Gary Atkinson**  
Carmelite Hotels

**Carol Benzie**  
Aberdeen International Airport

**Iain Brochie**  
TOTAL E&P UK

**Kevin Burnett**  
Mott MacDonald

**Stephen Christie**  
BP plc

**Mark Dames**  
BT Scotland

**Simon Dexter**  
Scottish Enterprise

**Prof Sir Ian Diamond**  
University of Aberdeen

**Stuart Garrett**  
Serco Northlink

**Derek Henderson**  
Deloitte LLP

**John Irvine**  
Bancon Group

**David M Kemp**  
John Wood Group

**Ian Laidlaw**  
Peterhead Port Authority

**Stuart C MacBride**  
Trinity International Services

**Stuart MacGregor**  
Stewart Milne Group

**Angus MacSween**  
Arjowiggins

**Prof Rita Marcella**  
Aberdeen Business School,  
Robert Gordon University

**David McLeod**  
F.G. Burnett

**Ken Milroy MBE**  
Aberdeen Foyer

**Kevin Reynard**  
PwC

**Jo Robinson**  
VisitScotland

**Jim Savege**  
Aberdeenshire Council

**Angela Scott**  
Aberdeen City Council

**Duncan Skinner**  
Glencraft

**Donald Smith**  
LiceComb Engineering

**Peter Thain**  
NORR

**Prof Ferdinand von  
Prondzynski**  
Robert Gordon University

**Alick Watt**  
AMEC Foster Wheeler

## London Committee

**Malcolm Robertson**  
London Chair  
Charlotte Street Partners

**Fiona Bayne**  
Shell U.K. Limited

**Alison Culpan**  
GlaxoSmithKline

**Dr Sandy Dobbie**  
Private Member

**Craig Forrest**  
Arup

**Prof Pamela Gillies CBE**  
Glasgow Caledonian University

**Barry Glew**  
Siemens

**Dermot Grimson**  
The Crown Estate

**Bobby Hain**  
STV Group

**Phil Henderson**  
ScottishPower

**Christopher Parker**  
London & Scottish  
International

## SCDI Fellows

**Graeme C Archibald**

**Robert Armour OBE**

**Prof Christopher Blake CBE**

**Craig Campbell**

**Ian Christie**

**Bill Cockburn CBE TD**

**Richard Cole-Hamilton CBE**

**Jane Cumming**

**Donal Dowds**

**Bill Drummond**

**Sir James Duncan**

**Trevor Garlick OBE**

**Francis Hamilton**

**Rod Johnstone**

**Afzal Khushi CBE**

**Peter Lederer CBE**

**Sir William Lithgow Bt**

**Shonaig Macpherson CBE FRSE**

**The Hon Sir William McAlpine Bt**

**Iain McLaren**

**Jack McLaren**

**George Menzies**

**Dr James Milne CBE**

**Joe Moore**

**Hamish R Morrison OBE**

**William C C Morrison CBE**

**Brian Nicholls**

**Colin Parker**

**David Paton OBE**

**Dr Ian M H Preston CBE**

**Esther Robertson**

**Ronnie Scott Brown**

**Duncan R Skinner**

**James Smith**

**Matt Smith OBE**

**Prof William S Stevely CBE**

**Donald Turner**

**Michael Urquhart**

**Alan Wilson OBE**

**scdi** Scottish Council  
for Development  
and Industry

[enquiries@scdi.org.uk](mailto:enquiries@scdi.org.uk) | [@scdi](#)news | [@scdiglobal](#) | [www.yecscotland.co.uk](http://www.yecscotland.co.uk)

A company registered in Scotland no.24724

[scdi.org.uk](http://scdi.org.uk)