

Claire Baker MSP

Convener, Economy and Fair Work Committee

The Scottish Parliament

June 2022

Dear Convener,

Thank you for your letter of 12 May 2022 regarding the Committee's inquiry into Scotland's Town Centres and Retail, asking about initiatives Skills Development Scotland are implementing to address the lack of digital skills training and how these are promoted to small businesses.

### **Digital and SME's**

We know from Scotland's [Digital Economy Maturity Index \(DEMI\)](#) that smaller businesses tend to be less digitally mature, and there is a significant productivity gain to be realised if we can support SMEs to embrace and innovate with technology. Whilst there is much more to do there are some signs of progress such as DEMI reporting that the adoption of almost all technologies saw an increase in use between 2017 and 2021, and that businesses using Cloud computing almost doubled.

Digital skills, and business support are responsibilities spanning several organisations and as detailed below Skills Development Scotland (SDS) contributes to a range of cross-agency developments which are development and delivered by SDS, Scottish Enterprise, Scottish Funding Council, South of Scotland Enterprise, Highlands & Island Enterprise and Scottish Government.

### **Digital Skills Support for SME's**

Delivered by SDS in partnership with Connect Three, The Leadership Factory, Pragmatique and Remarkable, [Skills for Growth](#) advisers work with small businesses to identify learning needs including digital skills needs, and signpost the business onto the right support, such as the advice, training and funding support available from these digital skills programmes -

- [Digital Boost](#) is a Business Gateway service where businesses access specialist digital support in the form of training webinars, access to a digital consultant and online guides and resources. Training webinars include topics like *Ecommerce*, *Marketing with Social-Media and Trading Online*.
- [Digital Boost Grant](#) (currently closed but expected to open for applications later in financial year 22/23) is available to support SMEs across all sectors embrace digital technology and has been designed to complement the core advice and training services available from Digital Boost. Businesses can apply for up to £20k which can be used for the purchase of technology software and hardware, training staff in the use of the technology and accessing specialist consultancy support. In 2021 the Digital Boost Grant supported over 2,200 businesses from all sectors, invest in hardware, business management software, e-commerce and data analytics.
- [Digital Development Loan](#) is an interest free loan of up to £100k for SMEs across all sectors. A wide range of costs are eligible to help businesses improve the digital capacity, digital capability or digital skills of their workforce.

- [Flexible Workforce Development Fund](#) is available to all employers in Scotland to help them access flexible workforce development training opportunities to meet their specific needs. SMEs can apply for up to £5k to access training from colleges and private providers. The fund allows businesses to address priority skills gaps such as in digital skills.
- Cyber security skills are now an essential for every business and particularly for those who are trading online. The Scottish Business Resilience Centre (SBRC) offers [Exercise in A Box](#) which is a free 90-minute workshop to help businesses identify how cyber prepared they are, and to signpost them to next steps such as further cyber resilience training.
- The pandemic has accelerated the demand for online learning and increasingly businesses are looking for opportunities to self-serve the acquisition of new skills. To support this [SDS has partnered with Future Learn and LinkedIn](#) Learning on an e-learning offer, as well collating information on the wider availability of online training. Courses last from a day to several weeks and include topics beneficial to SMEs, such as *Ecommerce*, *Google Analytics* and *SEO*.
- SDS also works with partners who provide specialist support for sectors, such as [Digital Tourism Scotland](#) delivered by Visit Scotland. The programme offers Scottish tourism businesses support with online marketing skills as well as general guidance on how tourism businesses can embrace digital technologies.

## Ecommerce Skills

Ecommerce is the online buying and selling of goods or services. Although a relatively new activity, it has proven itself to be a disruptive force across a range of sectors, and this has been accelerated by the pandemic. Although associated with technology, ecommerce is multi-disciplinary involving a range of technical and non-tech skill such as data analytics, SEO, social media, web development and business management, and as such this content can be found across a range of courses. There has also been an ask from industry to develop specialised ecommerce courses which SDS has been working with the education sector to respond to. Two new ecommerce courses have been developed with both insight from industry into the curriculum and with employer input to the co-delivery of the courses.

- SDS and Scottish Enterprise worked with the University of Strathclyde Business School to support the development of an [Ecommerce Scale Up course](#) aimed at businesses who wanted to grow their ecommerce and online trading capability. The first cohort of the course ran during 20/21 and the learning and course content has also been used to inform the Ecommerce Business Marketing college offer.
- To support new entrants into ecommerce SDS is working with City of Glasgow College, Edinburgh College and Borders College to develop and test an online [Ecommerce Business Marketing](#) course which is expected to run summer 2022 and/or autumn 2022. The course will be aimed at employees in small businesses who want to add ecommerce knowledge to their skillset, as well to college students who want to add ecommerce to an existing computing or business qualification.

Ecommerce skills are also increasingly becoming recognised by the education sector as an important stand-alone skill-set as demonstrated by partnerships like the University of Stirling and Optiseller, a Stirling ecommerce company who are contributing to the delivery of the university's [Data Science Graduate Apprenticeships](#).

### **Digital Economy Skills Action Plan**

SDS is in the process of developing a Digital Economy Skills Action Plan (DESAP) for Scotland which, following the approach taken to the [Climate Emergency Skills Action Plan](#), will develop and analyse the evidence base on the supply and demand of skills for the digital economy, and present an evidence based forward looking action plan to support the skills required for a vibrant Scottish digital economy.

The development of DESAP has included consultation workshops with representatives from businesses across Scotland's regions and sectors who were asked to contribute insight about their digital economy skills challenges and potential solutions. The development of DESAP is being supported by an External Expert Group which includes the Scottish Government Digital Economy Unit, Digital Boost and the Federation of Small Businesses. DESAP is expected to be published in Autumn 2022 and should include actions which further encourage and support small businesses to acquire digital skills. In the deployment of these actions SDS will continue to work through our promotional channels such as [OurSkillsForce](#), which provides employers with tools to help them plan their workforce skills needs, as well through our partners in the Chambers of Commerce, Federation of Small Businesses and the enterprise agencies to raise awareness of these offers.

Although this response has focused on the issue of digital skills and SMEs, I would like to use this opportunity to note our interest in wider retail issues. Our Director of National Training Programmes was a member of the Scottish Government's Retail Strategy Steering Group, and the Strategy (Getting the Right Change – retail strategy for Scotland) published in March 2022, commits the Scottish Government, through an Industry Leadership Group, to working with SDS to undertake a Skills Audit and corresponding Skills Action Plan. This will highlight which roles and demographics are most likely to be affected by changes in retail over the medium-to-long term and identify growth areas for staff to move into. This will involve in-depth analysis of the workforce, identifying trends and pinpointing skills gaps to influence and inform future training.

I hope this is useful to the Committee.

Yours Sincerely,

Chris Brodie

Director of Regional Skills Planning and Sector Development

Skills Development Scotland