

MINUTES OF MEETING

SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING 9 JULY 2020 – BY MICROSOFT TEAMS

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| <p>Board Professor Russel Griggs OBE (Chair) Nick Halfhide, Chief Executive Alistair Cameron Alan Daubney Helen Forsyth Duncan McConchie Lindsay McDowall Kate Rowell Jeremy Sainsbury Hazel Smith David Sulman Professor Sara Carter</p> | <p>SOSE Senior Leadership Team Anthony Daye, Director of Finance John Evans, Director of Enabling Services Karen Jackson, Director of Strategy Bryan McGrath, Director of Operations</p> <p>SOSE Attendees Susan Cannon, SOSE Corporate Office Alan Manthorpe, SOSE Corporate Office</p> <p>Guests Scottish Government Official – Regional Economic Development Division</p> <p>(Information removed in the interests of the effective conduct of public affairs.)</p> |
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WELCOME, INTRODUCTION AND APOLOGIES

1. Russel Griggs, Chair welcomed members to the meeting. There were no apologies.

DECLARATION OF INTEREST

2. There were no declarations of interest from Board members.

MINUTES OF 11 JUNE 2020

3. The minutes of the meeting were agreed.

ACTION LOG

4. John Evans, Director of Enabling Services gave a brief update on the development of the Shadow Workers Interest Committee, highlighting meetings that had taken place with the Carnegie Trust, Developing the Young Workforce Groups, Chartered Workforce Development, STUC and Fair Work Convention. It was planned to do a consultation through August and a further update to the Board would be provided in September.

CHAIR'S REPORT

5. Russel Griggs provided the report from the Chair. The following key points were noted:
 - A number of meetings had been held, including a meeting with the Cabinet Secretary, Fergus Ewing MSP and hoteliers from both Dumfries & Galloway and the Scottish Borders. This had highlighted that hotels had been receiving bookings for late summer and out of town hotels were seeing greater uptake in bookings than those situated in town centres.

- The Chair had been meeting with Board members individually to discuss each member's engagement with the Board. With the move to monthly meetings, members were keen to ensure they remained informed of the work of SOSE. It was agreed that the Board would receive a weekly briefing on a Friday capturing that week's key activity.
- Members were also asked to feed in any other ideas they had about the information that they wanted to see, and Russel invited Board members to contact SLT members directly with any questions about material provided, but he asked that he is copied into any communication.
- Russel had been invited to join the Town Centre Action Plan review group which would be revising the 2013 Town Centre Action Plan. Members noted that there were many groups operating and asked for reassurance there was no duplication. Russel assured Board members the group was for a very specific purpose and will clearly be driving policy on town centres. A list of groups that SOSE are involved in will be compiled for Board members.
- It was also noted that there would be impending announcements from the First Minister around wedding ceremonies. Comments were made that it was vital that it began moving in the right direction, and it was highlighted that the wedding industry supported a large number of small businesses.

CHIEF EXECUTIVE'S REPORT

6. Nick Halfhide provided the Chief Executive's update. The following key points were noted:
- A number of new members of staff had joined SOSE, including the remaining Heads of Area Operations. SOSE now had 50 members of staff, with another 20 joining by the end of August 2020. This additional operational capacity had been hugely important, enabling SOSE to engage with businesses and communities.
 - Delivering the hardship and PERF Grants was nearly complete.
 - Engagement continued to be important, with Nick meeting with stakeholders, including businesses, and national bodies – such as Creative Scotland, VisitScotland, Community Land Scotland, Crown Estate Scotland, and Zero Waste Scotland. He, the chair and the SLT had been having regular meetings with the Cabinet Secretary for the Rural Economy, Fergus Ewing MSP.
 - Team South of Scotland work had been continuing, looking at the work required around rising unemployment. This work would be intensified, looking at scaling up current support provision.
 - Board members commented that the opportunity which had arisen around the Team South of Scotland work could potentially be harnessed to a greater effect in inward investment, allowing a joined up partnership to be able to approach businesses and work with them to ensure they have what they need.
 - Nick had also given evidence to the Scottish Parliament's Rural Economy and Connectivity Committee on the impact of COVID-19 on the rural economy.
 - Brexit was an emerging challenge, particularly around the ports at Loch Ryan. Some Board members expressed similar views, and that it was seen in particular by the agriculture industry as potentially worse than COVID-19.
 - It was recognised as important to identify opportunities for growth, one such opportunity highlighted was around energy efficiency. It was considered SOSE could look to influence sectors into moving in a coordinated manner to respond to these emerging opportunities.
 - It was important to support key businesses which will help to underpin many small traders in different parts of the supply chain. These businesses could also positively influence other businesses in the right direction.
 - Board members requested a paper which provided an overview of what SOSE's relationship with businesses / account management process would look like.

- Additionally, the Board queried the CRM and the development of CRM2. SOSE was on the project Board for this but would also be engaging with HIE to look at their systems, and SOSE will find what best suits its needs.
- A request was made for an updated organisation chart.

ADVISORY GROUP ON ECONOMIC RECOVERY – RECOMMENDATIONS REPORT

7. Karen Jackson, Director of Strategy provided an overview of the recommendations from the Advisory Group on Economic Recovery. The following key points were noted:
 - The report reflected many of the key points from the SOSE response.
 - Scottish Government was due to respond by the end of July and this response would articulate how the recommendations would be delivered.
 - The recommendations would need to be considered as SOSE developed its Operating Plan and looked to its Action Plan.
 - The Board welcomed the proposal for a workshop on the Operating Plan.

Decision: The Board agreed to the recommendations to hold an Operating Plan Workshop on 13 August 2020.

SOSE FUNDS FOR OPERATIONAL DELIVERY 2020/21

8. Bryan McGrath, Director of Operations gave an overview of the various funds which were proposed. The following key points were noted:
 - The proposed funds linked back to SOSE's strategic priorities. They were designed to be simple and flexible and have a strong focus on business, innovation and communities.
 - Each fund had an indicative value, but this was a ceiling, which would provide potential flexibility, as levels of demand were unknown. Any changes would be brought to the Board for agreement.
 - Board members stressed that it was important that SOSE was not regarded simply as a funding organisation but as a development organisation offering support beyond financial support.
 - Brexit was seen as a possible challenge, and it was considered that the funds could pivot to provide vital support in response to this.
 - Some concern was raised at the level of funding being made available to community funds. It was considered that it might be more beneficial to focus early funding into businesses which will create larger numbers of jobs. Whilst this was recognised, it was stressed that SOSEs legislative duty also required community development and that those projects could also create employment and other opportunities.
 - The approach would need to be sufficiently flexible to support inward investment opportunities.
 - Funds would be tools for business and community development specialists to use and were not challenge funds to be advertised for applications but be available for support.
 - It was important to ensure that there was a clear and consistent approach to approvals within SOSE.
9. In relation to the specific funds the following key points were raised:
 - SOSE Crisis Fund: it should not automatically rule out businesses without a business bank account.
 - Adaptation and Diversification Fund: this could focus more on wellbeing and environment, and a just transition was needed in the criteria.
 - Community Ideas Fund: concern was raised that this fund did not have enough resources dedicated to it, though in response it was stressed that this was to develop projects, and

these would take time to develop. There was a need to stress good governance and community capacity building. Building on this, Board members felt there was an opportunity missed through windfarm funding, due to a lack of community capacity. The fund would be flexible in who it would support.

Decision: The Board agreed the proposals with the comments noted above.

10. A representative from Scottish Government concluded the discussion by providing an overview of Scottish Government's capital funding themes. They reflected the government's goals around the environment, the economy, and society, and the long-term goal to achieve a net zero carbon economy. The three themes presented would seek to deliver on this. Revenue spending would have a similar focus. Finally, in the short term, the focus would be on maintaining existing infrastructure rather than building new.

TACKLING UNEMPLOYMENT IN THE SOUTH OF SCOTLAND

11. Bryan McGrath, Director of Operations delivered a presentation on the emerging actions to address rising unemployment in the South of Scotland. The following key points were noted:

- Partners were working to keep track of redundancies. It was considered many small companies making redundancies, would add up to have a big impact to the South of Scotland economy.
- SOSE was working with partners to develop new approaches and actions.
- There was a recognition that there needed to be more work and greater detail on the actions that will be taken by different partners. This would come as discussions continued.
- Board members requested information on what the SOSE process will be when a business presents itself as facing difficulties, and what response actions would be available to SOSE. This was to be developed now that the COVID19 grants scheme was drawing to a close, and more capacity was present in SOSE.
- The opportunities around working from home were raised, given that with good connectivity, in theory you could live in the South of Scotland but work for anyone in the world. Conversely it was also considered that it could also lead to more outsourcing.
- SOSE was considering repurposing some properties, away from traditional office spaces, and into more temporary, drop-in office space.
- It was stressed that when a business made redundancies, it did not necessarily mean it was in difficulty. Additionally, it was recognised that COVID19 had given businesses time to reconsider their business models which would inevitably result in changes in labour requirements.

APPOINTMENT OF BOARD MEMBERS TO THE SOS REGIONAL ECONOMIC PARTNERSHIP

12. Karen Jackson, Director of Strategy gave a brief overview of progress to establish the South of Scotland Regional Economic Partnership. The following key points were noted:

- The development of the REP had been placed on hold due to COVID-19. In its place, SOSE had worked with the local authorities through 'Team South of Scotland'.
- The REP would now develop in a phased approach, beginning at the end of July, with a first meeting of a wider group of local councillors and the SOSE Board representatives.
- Volunteers had come forward from the SOSE Board to fill the three vacant positions that SOSE had for the REP.
- SOSE members would be key in shaping and influencing the direction of the Regional Economic Strategy, which the REP would produce.
- A suggestion was made that the REP continued to use of the Team South of Scotland branding, which had been well received.
- The REP would be supported by a group of officers, including senior officers, who would also be attending meetings. This would ensure that discussion and agreed actions were delivered.

Board members would be representing SOSE and there would be a further briefing session before the first meeting.

SOSE FINANCE REPORT

13. Anthony Daye, Director of Finance briefly presented the Finance Update to Board members. The Board members were asked to feedback on what information they wanted to see presented in the regular Finance Report for Board meetings.

UPDATE ON PIVOTAL ENTERPRISE RESILIENCE FUND AND CREATIVE, TOURISM AND HOSPITALITY ENTERPRISES HARDSHIP FUND

14. John Evans, Director of Enabling Services provided an overview of the funding delivered through SOSE on these two funds. The following key points were noted:

- The Board once again paid tribute to the work done by SOSE staff in delivering these two funds.
- Awards would be made public by Scottish Government later in the month.
- SOSE was working with some final applicants who had been unable to submit their applications due to technical issues. A decision had been made to ensure that these applicants weren't disadvantaged.
- SOSE had moved into the appeals process, and the Appeals Committee had been meeting twice a week.
- Most appeals which had been upheld were due to new information being brought forward.

UPDATE FROM THE REMUNERATION, NOMINATIONS AND HR COMMITTEE

15. John Evans, Director of Enabling Services provided a brief update on the work of the Committee. The following key points were noted:

- The tender for recruitment of the CEO has gone out to four agencies.
- John Evans reminded the Board of its Health & Safety responsibility, and he reported that training for the Board would be forthcoming.
- It was agreed that the RNHR Committee should have Fair Work as a standing item on its agenda for meetings, at least until the Shadow Workers Interest Committee is formed.

FORWARD PROGRAMME OF BOARD AND COMMITTEE MEETINGS

16. Russel Griggs asked Board members to feedback any issues on the proposed schedule of Board and Committee meetings. Unless any significant issues were raised the programme will be agreed.

ANY OTHER BUSINESS

17. The prospect of holding face to face meetings was raised. John Evans, Director of Enabling Services updated that the current guidance was meeting in person should only take place if it were essential.

18. It was also suggested that a standing item be added to each Board meeting to have a short update report from each Director. It was agreed that this would be trialled.

DATE OF NEXT MEETING

19. The Board would next meet for an Operating Plan workshop on Thursday 13 August 2020. The next full Board meeting would be Thursday 27 August 2020.

SOSE Board Secretariat – 20 July 2020