

MINUTES OF MEETING



SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING 25 MARCH 2021 – BY MICROSOFT TEAMS

<p>Board Professor Russel Griggs OBE (Chair) Jane Morrison-Ross, Chief Executive Alistair Cameron Alan Daubney Helen Forsyth Duncan McConchie Lindsay McDowell Jeremy Sainsbury David Sulman Kate Rowell</p> <p>Apologies Hazel Smith 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 Tracey Graham, Communications & Marketing Manager Susan Cannon, Corporate Governance Lead Alan Manthorpe, Corporate Office Linsey McGillivray, Corporate Office Kathryn Payne, Finance Manager Susan Harkins, Head of Area Operations Claire Renton, Head of Area Operations Alex Stewart, Head of Area Operations Phil McCreadie, Head of Area Operations Neil MacGregor, Economic Infrastructure Development Specialist (Property)</p> <p>Guests Scottish Government Official – Regional Economic Development Division 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. The Chair welcomed members to the meeting. Apologies had been received. He welcomed Linsey McGillivray to her first Board meeting as Board and Committee Secretariat and Governance Support Officer. The Chair gave personal thanks and also thanks on behalf of the Board to Alan Manthorpe who had worked in post for almost a year and wished Alan success in his new post within SOSE.

DECLARATION OF INTEREST

2. A number of Board members raised potential conflicts of interest over future pipeline projects and were to email the Director of Finance with specific nature of conflicts so that interests could be registered.

MINUTES OF PREVIOUS MEETINGS

3. The minutes of the meeting of 25 February 2021 Board and ad hoc meetings held on 5 February, 10 February and 19 February 2021 were agreed. Public minutes would be circulated to Board members electronically for a further sign off.

Decision: The minutes of the previous meetings were agreed.

ACTION LOG

4. The updated action tracker was noted.

TAKING THE PULSE OF SOSE

5. **Taking the Pulse of SOSE** – John Evans, Director of Enabling Services summarised the key themes from the pulse survey of staff which was conducted in December and January. The presentation covered the key issues that had emerged and set out an approach to acting on those themes. This included how to build and widen communications and awareness, empower staff to take decisions at appropriate levels and ensure we remained agile and flexible.

The following issues were raised:

- Given the anonymity, it provided general views and did not identify if there were specific issues in a particular team or part of the organisation.
- There was a more general feeling across organisations about the negative impact CV-19 was having
- The Board welcomed the focus being given to gathering and responding to staff views and feedback.
- Working remotely contributes to communication problems and 1:1s are important.
- There was potential to build on induction training and a whole SOSE event later in the year.
- It would be important for people to be clear about what was expected of them which should be reflected in SOSE's approach to performance management.

Decision: The Board welcomed the presentation.

BREXIT UPDATE

6. John Evans, Director of Enabling Services updated on Brexit explaining that Brexit issues were now morphing into other issues and challenges, including CV-19 issues. SOSE continued to monitor intelligence and impact and would continue to share with the Board.

Decision: The Board noted the update on Brexit.

CHAIR'S REPORT

7. The Chair updated on his role on the Economic Forum for the Borderlands Inclusive Growth Deal and the cross-border challenges and understanding. He highlighted the current challenges SOSE was facing around the lack of detail about the subsidy control regime, the successor to state aids. He emphasised his thanks to those delivering the Wedding Fund,

including a Board member. He reminded the Board about the restrictions of the election period and the need take care with social media.

CHIEF EXECUTIVE'S REPORT

8. The Chief Executive highlighted key areas of activity, including her and Russel's positive meeting with South of Scotland MSPs. She continued to engage with stakeholders across the south and was exploring taking forward discussion with key groups. She noted the positive reception for the Energy Transition Group's call to action and thanked the SOSE Board member and team involved.

The following issues were raised:

- The Director of Green Jobs and Energy Transition would work across SOSE drawing on existing staff and expertise and the job description would be shared;
- REP and RES activity was central to SOSE's work influencing and shaping the regional agenda;
- Work continued on SOSE's approach to returning to offices and our future physical footprint.
- The joint apprenticeship research was noted with the need to ensure that opportunities for apprenticeships were comprehensive on apprenticeships.scot website.

COMMITTEE UPDATES

9. Updates from the Audit and Risk Committee and the Remuneration, Nominations and HR Committee were provided for the Board's information.

Decision: The Board noted the updates.

PRINCIPLES OF SOSE'S ROLE IN PROPERTY

10. The Board approved SOSE's Strategic Property Priorities, setting the strategic direction for the short and medium term in terms of property and land that support businesses and communities. The Strategic Property Priorities will aid discussions with key partners as it was central to how SOSE deliver with property with Councils, Registered Social Landlords and in particular the private sector. Regular strategy updates will be provided moving forward. A Board member and Bryan McGrath, Director of Operations would meet offline to discuss a proactive approach to leverage the investment of more private sector capital, potentially including a forum to involve commercial landlords who hold significant property.

Decision: The Board noted the update on property and approved the paper.

DELEGATED AUTHORITY POLICY

11. Anthony Daye, Director of Finance set out proposals recommending a revised Delegation of Authority Policy. The presentation raised points on how to empower staff to be involved in decision making and gave rise to discussion on the process of decision making, due diligence and governance. An interim transition was agreed upon. The Board agreed to increase to £200k & £350k revenue, capital funding and FT grant/project funding and the thresholds would be reconsidered in September. All other aspects of policy were accepted. In addition to that it was felt it would be helpful if members of Board could be invited to Investment Panel to get a sense of how it works and the approval methodology. Anthony Daye and Bryan McGrath will outline the process to next Board and extend future invites.

It was suggested to change the wording of the last sentence on slide 2 to Risks must be controlled and “managed” (rather than “minimised”). The Board also discussed whether it could have sight of more funded projects for information which are under the delegated authority policy thresholds.

Decision: The Board agreed for a six month increase of revenue to £200k and capital funding to £350k and the thresholds would be revisited in September.

FINANCE REPORT

12. Anthony Daye, Director of Finance gave a presentation on the end of year position on resource budget, revenue expenditure and capital projects. It had been a challenging year, but the latest financial report was very positive. The Board members approved the report and congratulated SOSE staff on its achievement on using its budget allocation effectively.

Decision: The Board members approved the report.

SOSE PIPELINE PROJECTS

13. Bryan McGrath, Director of Operations gave an update on the business, community and project/initiative funding that has been pre-committed for 2021/22; as well as additional activity in the project pipeline that is likely to come forward in the coming year. Discussion was held around the Funding Panel decision making processes and reassurance was sought. The Board noted the value of previously agreed projects and the pipeline of projects in development. It was agreed to use traffic lights status to portray status of projects in regular updates to the Board.

Decision: The Board welcomed the update on pipeline projects, and it was agreed to implement traffic light status to illustrate the stage of the projects.

BUDGET APPROVAL

14. Anthony Daye, Director of Finance gave a presentation about the process, allocation, budget outcome and next steps. The Board were shown key milestones and the key process of monitoring. There was discussion around the mechanism of support to business and the provision of a mix of grant and loans. It was suggested consideration to be given to quarterly, six monthly or yearly reports from funding projects to see progress.

Decision: The Board approved the budget for the next financial year.

SOSE FUNDS 2021/22

15. Bryan McGrath, Director of Operations gave an update on proposed budget lines for the Operations Directorate’s service delivery for 2021/22. The paper also sought Board approval for the proposed budget lines to enable officers to work on papers for larger projects, where appropriate, and approve the broader Funds for 2021/22. There was discussion around creating flexibility whilst also having financial control. The Board approved the paper as a guide to where SOSE is spending funding over the next year but that it is not definitive, that it is flexible and would support the inclusive growth of the South of Scotland. The Chair thanked all present for their contribution to the debate.

Decision: The paper was approved by the Board as a guide to where SOSE is spending funding over the next year.

EXPERT HELP FRAMEWORK

16. Susan Harkins, Head of Area Operations provided a paper and sought approval of 2021/22 budget of £150k and a full multi-year of £850k to cover a four-year period. The budget would enable additional Expert Help to SOSE's team of specialists and advisors. This will be used to complement and add value and expertise to the specialised support that is provided by SOSE to help businesses achieve their ambitions. There was concern the budget may be too low but flexibility would be created. The Board agreed the ability to stretch the use on this if required and where budget allowed.

Decision: The Board approved the paper.

REGIONAL ECONOMIC STRATEGY UPDATE

17. Karen Jackson, Director of Strategy provided a progress update on the Regional Economic Strategy for the South of Scotland which captured work to date and next steps. Key next steps include developing vision, aims and objectives and publication and launch of the strategy and action plan.

Decision: The Board noted the update.

COMMUNICATIONS UPDATE

18. Tracey Graham, Communications and Marketing Manager provided a Communications and Marketing update to highlight some of the key headlines. The Board continued to be provided with monthly reports alongside the weekly updates to have sight of all media coverage. Reports were also provided on media evaluation, social media and the website.

Decision: The Board noted the update.

A.O.B.

Further to information circulated in January there was discussion on the status of Currie European Transport. Anthony Daye, Director of Finance confirmed that twice monthly cash flows were being provided and were as expected. Should there be any concern then the Board will be notified.

DATE OF NEXT MEETING

19. Strategy Session – Value for Monday – Friday 9 April (10am)
Next Full Board Meeting: Thursday 13 May 2021 (9.30am)

SOSE Board Secretariat – 25.03.21