

## MINUTES OF MEETING

### SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING 28 MAY 2020 – BY MICROSOFT TEAMS

<p><b>Board</b>          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><b>SOSE Senior Leadership Team</b>          Anthony Daye, Director of Finance          John Evans, Director of Enabling Services          Karen Jackson, Director of Strategy          Bryan McGrath, Director of Operations</p> <p><b>SOSE Attendees</b>          Tracey Graham, SOSE Communications          Susan Cannon, SOSE Corporate Office          Alan Manthorpe, SOSE Corporate Office</p> <p><b>Guests</b>  <u>Until Item 6 Guests from:</u>          Borders College          Dumfries &amp; Galloway College          Heriot Watt University          Skills Development Scotland          Scottish Funding Council</p> <p>Scottish Government Advisor (Item 9 only)</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. Two Board members declared an interest in item 7 (update on the pivotal and hardship fund)

### MINUTES OF 14 MAY

3. The minutes of the meeting were approved.

### ACTION LOG

4. The action log was noted.

### COVID-19 - FOCUS ON IMPACT ON EDUCATION AND SKILLS

5. The agenda item was introduced to give an overview on the impact of COVID-19 on education and skills and likely future demand. Guest attendees from Borders College and Dumfries and Galloway College provided the board with an overview of the contribution made by the Regional Colleges and the key issues they were facing. Board member and guest attendee from the University of Glasgow and Heriot Watt University, did the same for Higher Education. The following key points were raised:

- COVID-19 would likely lead to significantly increased unemployment. It was considered that young people would be most affected. There was a need to look at retraining and upskilling opportunities for the whole workforce.
- Colleges were currently providing their full service remotely, aided by the SOSEP investment in the Digital Skills and Learning Network. Availability of Broadband provision had been challenging for some students. Colleges had been required to step in and support several students with connectivity and equipment.
- Colleges were working to guarantee a place for all school leavers.
- Work was ongoing with SFC, SDS and local partners on a Skills Alignment Project, which would evaluate the skills curriculum required in the South of Scotland. This was to be completed in late Summer.
- The Colleges sector was looking at a revision to Outcome Agreements to focus on impacts and not only outcomes.
- Colleges needed flexibility in their funding.
- A lack of student accommodation was identified as an issue in Dumfries and the Private Sector was needed to develop this further. 24/7 workspaces were also required.
- Two thirds of businesses required Operational Leadership training. It was recognised that Higher Education could help to develop this.
- Local campuses offered a 'window' into the wider network of University learning.
- Challenges included funding, particularly due to low class sizes. Operating costs could also be high, and at times were unprofitable.
- The forecast reduction in international students due to COVID-19 would be financially challenging for Higher Education.
- Whilst there had been a desire to expand HE provision, it would come with trade-offs, and other areas might need to be cut back as a result.
- Heriot Watt University had been looking to further develop its campus in Galashiels into a University Hub, with a Strength in Places bid. This had been affected by COVID-19.
- Places in Further and Higher Education were limited, with forthcoming employment challenges it might have been necessary to create more opportunities and keep young people in Education for longer. It was undesirable for young people to be 'graduating into unemployment'.

A discussion took place with the board following the presentation. The following key points were raised:

- Some business in the South of Scotland lacked the resources to be able to train staff.
- Strong leadership was key to success and building capacity. The South needed to be able to grow its own leaders, more than it does now.
- Linking students with work experience placements was highlighted as a positive. It had been successful with Dumfries & Galloway College in relation to Health and Social Care. This was an opportunity which could be developed further.
- It was important to ensure that there was no stigma to the young people graduating through COVID-19. This experience would enhance young people's resilience, so could make them more employable.
- There was an opportunity to consider an increase in the number of FE/HE places available to enable young people to stay in education and develop relevant skills and expertise, while there was increased pressure on employment and limited alternative opportunities. This needed to be linked to likely employment in the future.
- Solely focussing on the current needs was potentially self-limiting. It was important to match skill provision with our ambition for the whole economy (including new and emerging sectors), not just improving what we have now.

- There was a perceived need to improve access to training and education materials, and that too much is unnecessarily siloed.
- Graduate Apprenticeships were seen as a valuable proposition but needed a more joined up process.
- The South of Scotland had clear population challenges. The board considered there was a need to think of what can be done to keep young people in the area. Ensuring that the whole student experience is more rounded, and attractive for young people was also highlighted.

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

6. John Evans, Director of Enabling Services delivered a presentation which provided an update on the support which SOSE was delivering through these two funds. The following key points were noted:

- Board members wished to note their thanks and appreciation for the SOSE Grants Team for their hard work, adaptability, and the hours they had worked to process grant applications.
- The Hardship Fund was likely to close on 1 June, and PERF was likely to close on 5 June. Once both funds closed, focus would then turn to the restart and 'recovery' phases.
- Staff members were being supported through daily team meetings, one-to-one meetings, and SOSE would be ensuring that staff take any time off in lieu they have accumulated as soon as they could.
- Around 2/3 of applications to the Hardship Fund had not been successful in their application, this was generally due to: applications not fitting into the defined sectors; not having a business bank account; and not fitting the criteria of 'vulnerable, viable, and vital'.
- SOSE was contacting all unsuccessful applicants to see if there was another way that support can be provided. Board members welcomed this approach.

## **PRIORITISING SOSE FUNDING**

7. Bryan McGrath, Director of Operations presented an overview that developed the Board's agreement to its strategic approach to funding in the current financial year. He outlined five proposed funds that reflected the strategic priorities, a Hardship Fund; Adaptation and Diversification Fund; Economic Recovery Loan Fund; Community Ideas Fund; and a Community Asset Development Fund. The plan was aligned to the need to deal with the aftermath of COVID-19. The following key points were raised:

- There would be sector specific proposals forthcoming, such as from Tourism that would cover a range of businesses
- The right balance between revenue and capital support needed to be found. Members were keen that SOSE was supporting communities, building capacity as well as supporting them in their ownership of assets aspirations.
- Simplicity in the application process was preferred. There was a desire for these funds to be more flexible than offering a fixed set of products and this approach would enable support to be tailored to the needs of business. SOSE was looking to do things differently and that would fit with this approach.
- There was a need to consider how these funds will address other key issues, such as Education & Skills, Fair Work, Young People, and reducing inequalities. It was suggested that this could be a part of the project appraisal process.

- The Board recognised that COVID-19 could affect businesses and communities' abilities to develop projects. COVID-19 may also have changed the behaviours of businesses and communities with agile working etc. As such, the demands from them may have changed.
- The funds should be broad, so that innovative business and community activity, unrelated to COVID-19, could also be supported.
- Expectation management would be important, and SOSE would need to ensure that partner organisations are comfortable and supportive of the SOSE approach.

## **SCOTTISH GOVERNMENT ADVISORY BOARD ON ECONOMIC RECOVERY**

8. Scottish Government Strategic Advisor to the Advisory Board on Economic Recovery joined the meeting. He explained that his work was to curate ideas for Ministers on Finance Capital, Human Capital, Social Capital and Natural Capital. He encouraged SOSE to come forward with bold, radical and specific ideas. The following key points were raised:

- The recovery strategy would need to be built on strengths. There was an opportunity in Scotland, and the South of Scotland to lead in Renewable Energy.
- There was a need for the right infrastructure and regulation that is fit for purpose. SOSE were urged to come back with specific examples on these points.
- The public and employees would need confidence to return to normal behaviour. Investors, particularly internationally, would also need confidence that they can invest in Scotland with confidence.
- It was identified that there was significant investment potential in Housing Associations, but the regulatory environment needed to encourage investment in ensuring housing is energy efficient. Private sector housing development was also seen as important and needing to be stimulated in the South. It was recognised there might be a role for communities in repurposing older properties.
- Scottish Government would likely have a greater role in managing infrastructure in future, and as such may need to embrace private sector style management.
- It was recognised, that young people will face a significant challenge in going into the labour market post COVID-19. Providing more education opportunities for young people would be key. There were also possible problems for Higher Education Institutions with a potential loss of overseas students.

The Scottish Government advisor left the meeting. Board members then discussed the key points to highlight in the SOSE response. An initial draft had been produced a member of the Board and Karen Jackson, Director of Strategy. The following key points were noted:

- Regulation, planning, and building control being fit for purpose was again highlighted. Karen Jackson asked board members to come forward with specific examples.
- Digital Connectivity, not just broadband but also 4G and 5G technology, and digital skills.
- Localism, in relation to procurement, looking at the North Ayrshire model on Community Wealth Building.
- Young people, with reference to providing pathways to employment, and education opportunities. A specific fund for rural apprenticeships was one idea highlighted.
- Energy and Low Carbon development.

## **PROPOSAL TO ESTABLISH A SOUTH OF SCOTLAND ENERGY TRANSITION TASK FORCE**

9. A proposal was presented, highlighting that it will seek to define the renewable energy offer in the South, how it can be delivered, and the impact that it would have. The Task Force would bring key stakeholders together to develop a vision and a ten-year plan. The following key points were noted:

- Scottish Government are supportive of the work being proposed.
- Ensuring community benefit from any forthcoming schemes was important.

*Decision: The board approved the proposal to establish a South of Scotland Energy Transition Task Force.*

## **CHAIR'S REPORT**

10. Russel Griggs reported that he and Karen Jackson, Director of Strategy had been meeting with a wide range of Trade Associations, including a discussion with Scottish Food and Drink about localism. He reported Scottish Food and Drink would be jointly funding two posts across the South of Scotland with SOSE. The Chair was also regularly meeting with Scottish Government, and he highlighted that the voice of the South was being heard in Government.

An update on the Rural Leadership Programme was requested. In response Karen Jackson, Director of Strategy said that SOSE were awaiting the outcome of a product review which Scottish Enterprise was undertaking, before taking forward further discussions on how SOSE can support it in future. SOSE would also be meeting with the Royal Society of Edinburgh regarding their Enterprise Fellowships to explore how that could be utilised in the South.

## **CHIEF EXECUTIVE'S REPORT**

11. Discussions had been ongoing in relation to the closure of the OVO Energy in Selkirk with the Chief Executive of the company, and Fiona Hyslop MSP, as well as regular meetings with Fergus Ewing MSP to update on SOSE work. Nick Halfhide, Chief Executive reported that Mr Ewing was broadly happy with the work of SOSE, and he was keen to explore investment opportunities with SOSE. The Chief Executive had also been meeting with Scottish Land & Estates, HIE, Interface, and had presented for SCDI to around 140 of their members. He added that SOSE will have significantly increased its operational capacity by July.

Board members fed back that it was important to be communicating with the business community on the timescales around the current funding programmes, and that there might be a need for recruitment of business specialists in certain key areas.

## **DATE OF NEXT MEETING**

12. The next meeting of the Board would be on 11 June 2020. It was agreed that the frequency of Board Meetings will be reviewed at the next meeting, with a view to possibly moving to meeting every four weeks.

## **ANY OTHER BUSINESS**

13. No other business was raised.

Russel Griggs thanked members and closed the meeting.

*SOSE Board Secretariat – 4 June 2020*