



MINUTE OF MEETING

SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING

11 NOVEMBER 2021

CARDRONA HOTEL, NEAR PEEBLES

<p>Board Professor Russel Griggs OBE (Chair) Jane Morrison-Ross, Chief Executive Alistair Cameron Alan Daubney Helen Forsyth Duncan McConchie Lindsay McDowell Jeremy Sainsbury (Via MS Teams) Hazel Smith David Sulman Professor Sara Carter (via MS Teams)</p> <p>Apologies Kate Rowell</p> <p>SOSE Senior Leadership Team Anthony Daye, Director of Finance and Corporate Resources John Evans, Director of Transformation and Development Karen Jackson, Director of Strategy, Partnerships and Engagement</p> <p>Apologies Martin Valenti – Director of Net Zero Bryan McGrath – Director of Place & Enterprise</p>	<p>SOSE Attendees Susan Cannon, Corporate Governance Lead (note) Fiona Sköller, Corporate Office Jane Malloch – Chair’s Executive Assistant Steph Lamb – CEO’s Executive Assistant</p> <p>SOSE Attendees (via MS Teams) Maureen Malone, Information Governance and Risk Manager (Item 11) Stuart Thomson, Business Development Specialist (Item 8) Arthur Rennie, Business Development Specialist (Item 14) Garry Legg, Strategy & Planning Manager (item 12) Phil McCreadie, Head of Area Operations (item 8)</p> <p>Guests Guest Speaker – Enterprise and Skills Strategic Board Scottish Government Officials - Regional Economic Development Division Minister for Business, Trade, Tourism and Enterprise (attended part of meeting)</p>
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WELCOME, INTRODUCTION AND APOLOGIES

1. The Chair welcomed members and guests to the meeting. Apologies were noted.
2. The Board discussed appropriate etiquette for guest speakers attending Board meetings. It was suggested guest speakers should be fully briefed beforehand on what the Board’s expectations are and what they should expect when they attend. This will ensure guests come to the meeting prepared for any discussion and questions and allows for an informed session.
3. The Chair confirmed that a paper on SOSEP / textiles would come to the Board in February 2022.
4. In preparation for the Minister attending the meeting, the Chair gave each of the Board members a topic to speak to for 2 minutes.

GUEST SPEAKER – ESSB

5. The Chair of the Enterprise and Skills Strategic Board (ESSB) gave a short presentation on 'Delivering Transformation Change' which covered the following key points:
 - The importance of boosting Scotland's productivity to improve living standards and inclusive growth.
 - The need to focus on effective delivery and Scotland's productivity which had not changed since the millennium.
 - All organisations, including SOSE, would be expected to contribute to the Scottish Government's delivery of their 10-year National Strategy for Economic Transformation
6. The Board members welcomed the presentation, and the following key points were noted:
 - Not all organisations could be judged or treated the same and the expectations for change would vary
 - Connectivity was an issue in rural Scotland as is transport
 - Concerns SOSE could be excluded from any sector push by Scottish Government because they were moving to a place-based approach and Scottish Enterprise (SE) were still sector focussed. It was noted SE are moving away from sectors to 'opportunities'.
7. The Chair thanked the guest from ESSB, for attending the Board.

DECLARATION OF INTEREST

8. None noted.

MINUTES OF PREVIOUS MEETINGS

9. The minutes of the meeting on 30 September 2021 were approved with one amendment – the meeting on 30 September was face-to-face at Hetland Hall, Dumfries and not virtual via MS Teams.

Decision: The minutes of the previous meeting were agreed.

ACTION LOG

10. The action tracker was noted.

CHAIR'S REPORT

11. The SOSE engagement events were underway with the first events well received. The Chair thanked Karen Jackson, Director of Strategy, Partnerships and Engagement and her team for the work in arranging the events. The Regional Economic Partnership (REP) approved the South of Scotland Regional Economic Strategy (RES) delivery plan. The Board appointments are now advertised.

CHIEF EXECUTIVE'S REPORT

12. The Chief Executive provided an update on SOSE key activities which included the following:
 - There had been interesting work around a net zero innovation centre and lab which would be the first of its type.
 - The promotion of the digital and low carbon fund was underway and the SOSE digital team was growing.
 - A toolkit was being developed by SOSE where businesses and communities would have options and pathways into the support SOSE can offer.

- SOSE has been reviewing how it recruits and how to manage external perceptions. It was agreed to consider adding context to statements around SOSE staff numbers as this number (over 100) may appear a large number for the smaller sized businesses in the south of Scotland. Recruitment was behind on its predicted capacity at year two.

PLACE AND ENTERPRISE

HILLTOP LEAF LIMITED

13. The Board considered one project funding application which was agreed or agreed in principle.

“Details of projects funded, and their values are published by SOSE on a quarterly basis once all relevant contractual terms have been agreed. Please refer to the SOSE website for information on the Grant Funding that we have distributed. [SOSE - Accessing our information](#) “

CHAPELCROSS AND STEP UPDATE

14. It was agreed to move this paper to the December Board meeting.

SOSE FINANCE REPORT

- Anthony Daye, Director of Finance and Corporate Resources presented the finance report to the board. Reassurance was given that there was activity ongoing around digital and low carbon.

Decision: The Board noted the financial report

LUNCH BREAK

RISK APPETITE

15. Maureen Malone, Information, Governance and Risk Manager, gave a presentation on the Board’s half-yearly review of Risk Appetite and an update of the PESTEL chart. The following key points were noted:

- A PESTEL chart / analysis provided organisations with insight into the external factors (political, economic, sociological, technological, legal and environmental) impacting the business
- The SOSE Audit and Risk Committee agreed that no changes to Risk Appetite ratings were required at that point.
- Consideration of risk appetite continued to be developed to provide the Board with a richer context for recommendations and decision making in relation to project approvals, appraisal and key business decisions.

Decision: The Board agreed to the continuation of the Risk Appetite categories and tolerances and the updates to the risk appetite statements for the remainder of 2021-22. The Board noted the update to the PESTEL chart.

ENDORISING THE REGIONAL ECONOMIC STRATEGY (RES) DELIVERY PLAN

16. Karen Jackson, Director of Strategy, Partnerships and Engagement, gave a presentation to the Board on the delivery plan highlighting SOSE has a central role in developing the 3-year plan which would be linked to the SOSE action plan. The following key points were noted:

- The Board complimented the high standard of strategic planning by Karen Jackson and her team.
- The two Councils had a role to play in the delivery of the plan and SOSE was in discussion with them on agreeing the leads from each organisation.
- The Regional Economic Partnership (REP) owned the plan, and each partner had a governance structure to deliver on it. The SOSE action plan would provide a higher level of detail on who is responsible for what.

Decision: The Board endorsed the Regional Economic Strategy Delivery Plan

GUEST - MINISTER FOR TRADE, TOURISM AND ENTERPRISE

17. The Chair welcomed the Minister for Business, Trade, Tourism and Enterprise to the Board meeting. He complimented SOSE on the work it was doing in the south of Scotland and he was interested to hear from SOSE about the views of Net Zero in the south and how the region might plug into the opportunities from COP26 in the international stage. Board Members gave a brief update to the Minister on topics relevant to the south of Scotland and SOSE.

- SOSE was a *development agency* not just a funding agency, they offered a range of support to businesses and communities to help them to develop and grow
- SOSE were proud to be the first Public Sector organisation to have *fair work* embedded into their legislation. SOSE had a fair work support team who engage with businesses and support them through their fair work journey. SOSE also had a Fair Work Committee.
- *Partnership working* was important to SOSE and at the heart of what they do. The south of Scotland was rural and diverse, so it was important there was regional flexibility to respond to regional opportunities
- *Tourism and hospitality* were important in the South of Scotland and SOSE was working with South of Scotland Destination Alliance (SSDA), a new tourism, marketing and destination body to make the south a world-class visitor destination
- The south of Scotland welcomed the opportunity to be a pilot for a *tertiary pathfinder*. This would help with the provision of education plus join up the learning, plug any gaps and help the productivity in the region.
- SOSE was doing a lot of good work around understanding *communities* which would help in unlocking opportunities.
- SOSE had a role to support local *supply chain* development through community wealth building. Businesses in the south for example RSLs, face big challenges in sourcing good local contractors due to procurement restrictions.
- The SOSE's *Energy Transition* Group had brought together a group of people to understand the challenges and the opportunities for renewable energy for the South of Scotland and they developed a vision and a plan called 'powering the change'. The rural challenges were very different to urban and city.
- The *third sector* had a key role in Scotland's wellbeing economy. There were 5000 people in employment across the south in the sector and through Covid it demonstrated agility and resilience. The third sector was key to unlocking resources and identifying strengths in communities and should be recognised as an important part of the economy.
- *Innovation* was important in both emerging and traditional industries as a mechanism for not only new business growth, but the development of supply chains and significant economic growth. The south of Scotland had a huge opportunity to lead the way in areas where they had significant history and expertise and the south was the perfect location to adapt, accelerate and be the sandbox for opportunities with national and international impact.

18. The Minister thanked the Board for their insights and responded briefly to the points raised:

- He noted the importance of SOSE being a development agency and that partnership and alignment were also important.
- SOSE's ability to tackle problems in a coherent way was something other areas could learn from
- SOSE was also in an excellent position to lead on third sector and to support that agenda.
- The challenges and opportunities of fair work in the south would give learning for the whole of Scotland
- On innovation, there were opportunities for the south to do joined up working which could lead to larger international markets.
- Natural capital was important as is the biodiversity agenda and the south was at a pivotal point in helping with that.
- The Minister suggested any issues or obstacles around CWB / procurement should be fed into SG.
- The Minister added that he planned to visit the south of Scotland in early 2022 and he would welcome input from SOSE on the program and what businesses he might visit.

HOW WE MAKE A DIFFERENCE – INDINATURE

19. Arthur Rennie, Business Development Specialist, provided the Board with an update on the Indinature who SOSE has been working with since April 2020. The key points included:

- The business would commence production in Selkirk in April 2022
- SOSE had committed £250k grant funding to adapt the Selkirk building for specialised machinery for initial production.
- The business plan to have 40 employees by April 2023
- Their inspirations included the creation of a Bio Reactor Hub, developing hemp into packaging materials to eliminate plastics and rolling out the production model to other global target markets

Decision: The Board noted the update on Indinature.

AOB

20. The Chair visited AIMS who have demand from businesses wanting to use the equipment.
21. The Chair of the ESSB thanked the Board for their time and complimented them on their open and focussed conversations.

PAPERS FOR INFORMATION

22. The following papers were provided to the Board for information:
- SOSE Board Forward Plan

DATE OF NEXT MEETING

23. Next Full Board Meeting: Thursday 9 December (10.30am at Smiths of Gretna Green)