

## **SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING 16 APRIL 2020 – BY MICROSOFT TEAMS**

### **MINUTES OF MEETING**

<p><b>Board</b>          Professor Russel Griggs OBE (Chair)          Nick Halfhide, Chief Executive          Alistair Cameron          Professor Sara Carter          Alan Daubney          Helen Forsyth          Duncan McConchie          Lindsay McDowall          Kate Rowell (for part of meeting)          Jeremy Sainsbury          Hazel Smith          David Sulman</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, acting as Director of Operations</p> <p><b>Other SOSE staff</b>          Tracey Graham, Communications and Marketing Manager</p> <p><b>Apologies</b>          Scottish Government Official – Regional Economic Development Division          (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 apologies from the representative from Scottish Government.

### **DECLARATION OF INTEREST**

2. There were no declarations of interest.

### **MINUTES OF 9 APRIL (paper SOSE (M) 5)**

3. The minutes were approved, subject to an amendment to paragraph 13 (recognising the role of services delivered by *regional* charities rather than *national* charities).

### **ACTION LOG**

4. The action log was noted. Russel Griggs updated the board on discussions around work to identify an on-line viability checker which SOSE could use for companies seeking support from SOSE. Discussions had been held with a company that provided the service for businesses refused bank funding to enable them to look at alternative sources of funding. While the discussions were useful, no final conclusions had been reached by either side but the ability to have a tool on-line for SOSE where companies could up-load their data before being assessed was still something that could be useful.

## COVID-19 – IMPACT ON THIRD SECTOR

5. Russel Griggs invited Board members to give an update on the impact of COVID-19 on the third sector. The item covered:
  - An overview of the impact on the third sector and social enterprises;
  - Potential outcomes if no action were taken to support organisations; and
  - Specific asks of SOSE.
6. An overview was given of the impact. It focused on the funding made available to the sector and while applications were being made, information about the delivery and impact of the fund was not available. The Third Sector Interfaces (TSIs) were focused on processing volunteers, where there is some confusion and duplication of effort with local and national government, and where volunteers are not being used. There is no clear picture of services that are struggling. Ensuring the funds were used to maximum effect was key.
7. In terms of funders, the lottery had stopped capital funding to small rural locations as they were concerned about the long-term sustainability of the projects. Social Investment Scotland (SIS) were focused on processing applications from organisations in immediate need. Organisations without reserves were facing particular challenges as funding, for example through the Job Retention Scheme, was taking time to come through.
8. Housing associations were delivering help and support to their tenants, carrying out emergency repairs and linking tenants into community support networks. There was a concern over rental income which might impact on repairs and planned maintenance and staffing levels.
9. In terms of health and social care, provision of home care and personal care was under pressure. Other organisations that provided important services were at risk of being overlooked.
10. Board members picked up on issues of particular concern. It was difficult to get information to assess whether the support was appropriate and where there were gaps. It was important to understand the impact on communities should key organisations not survive and whether intervention could prevent that happening. There needed to be an increasing focus on emerging issues around people with mental health problems, domestic abuse, social isolation and loneliness.
11. The change in the focus of third sector funders eg away from capital investment in community assets could impact on the capacity of smaller rural locations to develop and/or sustain activities moving forward. It was important to build capacity to help communities sustain those assets moving forward. There would be value in discussing how third sector funding can support economic activity and regeneration and how funding from larger funders could be levered in to support projects across the South of Scotland.
12. Potential areas of activity for SOSE for discussion were set out:
  - There would be value in SOSE community enterprise staff working with the TSIs to identify the community enterprises and social enterprises key to the economy and work to support them, for example with consultancy help and/or advice to restart activity or start again;
  - Depending on the impact of national schemes and speed of delivery, there could be an opportunity to offer bridging loans for a month or two to allow organisations to fund activity until grant, government or furlough funding arrives. However, this would be difficult to deliver in the time required;
  - SOSE should be clear about its role in supporting the third sector and where its funding boundaries lay – working in collaboration was important as was working with funders to

shape their priorities and understand their funding decisions. The TSIs should have a role in identifying key organisations.

13. The following points were made in discussion:

- Could SOSE have a role to support communities to co-ordinate activity – there was a recognition that the response needed to be different within communities and a one size fits all support could not be imposed;
- It was important to recognise the extent of SOSE’s responsibility and how it could add value to the existing provision, for example by supporting the development of enterprise skills to ensure capital assets were viable and delivered benefit;
- The sector was reacting to the immediate shock but looking forward there was an opportunity to build its resilience.

14. Russel Griggs thanked members for the discussion. It was clear that as SOSE built its capacity, effective support and engagement with the third sector was a key part of SOSE’s remit that needed to be developed. In the shorter-term, SOSE should follow up with the Robertson’s Trust and in the slightly longer-term SOSE should build its relationship with the TSIs, set out the support it could bring including the development of business skills and developing longer term sustainability.

#### **COVID-19 – SPECIFIC UPDATES**

15. Russel Griggs highlighted the Scottish Government’s announcement of additional funding for the self-employed and for micro and SMEs not receiving support from elsewhere. Discussions about the operation of the scheme were ongoing. The Board agreed that it was essential that SOSE had a role in prioritising the businesses that should be supported through the additional funding, ensuring that businesses key in the South of Scotland were getting the support they needed.

#### **COVID-19 – UPDATE ON PROJECT APPROVAL PROCESS TO DISTRIBUTE FUNDING**

16. John Evans, Director of Enabling Services, gave an update on the development of process to distribute SOSE funding, recognising that the additional national funding would enable SOSE to focus its funding on key businesses still not accessing the support necessary. The approach would be as streamlined as possible. It was agreed that a small committee of the Board be established to consider applications for SOSE funding (for grants of over £5,000). Businesses would be supported through the application process. The proposal for accountancy support was also being progressed. Members were invited to share detailed comments with John following the meeting.

17. The following general points were raised in discussion:

- Members would find it helpful to understand what SE and HIE were doing;
- It would be important to reach out to businesses in need proactively;
- Grants should be used to benefit businesses operating in the South of Scotland. They might have properties elsewhere but the benefit of the grant must be seen in the region.
- There was potential to pay interest on CBIL loans which would not be a considerable cost but could help persuade businesses;
- While the need of businesses in the tourism sector was clear, those in other sectors should not be excluded;
- Clear communication and expectation management, including around delivery times was necessary;
- Banks were taking time to make decisions and it might be that some businesses had not yet had a decision but required immediate help.

#### **PROJECT PROPOSALS**

18. The Board considered four project funding applications. Three of the proposals were agreed or agreed in principle. Decision was deferred on one project.

*“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](#) “*

#### **DATE OF NEXT MEETING**

19. The Board agreed to move to a two-weekly cycle of meetings with the next meeting to take place on 30 April. Two Board members would present on the impact of COVID-19 on SMEs.

#### **ANY OTHER BUSINESS**

20. A question was raised about SOSE plans for providing support to businesses and communities, including expert advice and consultancy support, similar to the support provided by HIE. Russel Griggs confirmed that SOSE would be developing a range of support programmes. The COVID-19 situation had altered the original plans for how those programmes would be developed but the support offering would be built up through engagement and consultation to ensure they approach responded to the circumstances of the South of Scotland.

21. Russel Griggs thanked members for their participation and closed the meeting.