

MINUTES OF MEETING



SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING 25 FEBRUARY 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 Hazel Smith David Sulman</p> <p>Apologies Professor Sara Carter Kate Rowell</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 Maureen Malone, Information Governance and Risk Manager Kathryn Payne, Finance Manager (till Item 6) Susan Harkins, Head of Area Operations Claire Renton, Head of Area Operations Neil MacGregor, Economic Infrastructure Development Specialist (Item 5 only) Kate Dagg, Economic Infrastructure Development Specialist (Item 5 only) Richard Smith, Business Development Specialist (Item 12 only) Jayne Ashley, Strategy & Planning Manager (Item 12 only) Colin Banks, Community Development Specialist (Item 12 only) Garry Legg, Strategy & Planning Manager (item 17 and 18)</p> <p>Guests Scottish Government Official – Regional Economic Development Division 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> <p>Scottish Borders Council (Item 5 only)</p>
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WELCOME, INTRODUCTION AND APOLOGIES

1. The Chair welcomed members to the meeting. Apologies had been received. Russel welcomed Jane Morrison-Ross to her first Board meeting as Chief Executive of SOSE.

DECLARATION OF INTEREST

2. Board members declared interest in item 15 – Scottish Wedding Industry Fund and Item 16 – SOSE Funds 2020/21.

SOSE FINANCE REPORT

3. Anthony Daye, Director of Finance presented the finance report to the Board. Board members appreciated the efforts that staff had made to ensure full and effective budget spend. The unique circumstances of the past year had created specific challenges around budget commitments. The Board recognised the impact of public sector accounting which did not allow carry over across financial year end.

Decision: The Board noted the financial report

RISK APPETITE

4. Anthony Daye, Director of Finance and Maureen Malone, Information, Governance and Risk Manager set out a summary of proposed changes to the Risk Appetite statements. The following key points were noted:
 - The Board suggested that in future as project funding applications were presented to the Board for approval it would be helpful if they highlighted where proposed projects sit relative to SOSE's risk profile.
 - It was important that SOSE was able to challenge regulation where it could be improved, whilst it was accepted that SOSE would adhere to all relevant regulation.
 - The need to empower staff and embed an entrepreneurial spirit amongst them was key for the Board in building SOSE's organisational culture.
 - The Board raised the importance of having the risk appetite well understood across the organisation. It was considered this would dovetail with each directorate's risk register process.
 - Variation of risk profile was also suggested, with different levels of risk depending on the size of grants. This would particularly affect any future Business Gateway operations.
 - The Board also asked if SOSE get any information on how it is viewed externally.

Decision: The Board agreed the update to SOSE's risk appetite.

MOUNTAIN BIKING INNOVATION CENTRE AND BIKE PARK, INNERLEITHEN

5. An Executive Director from Scottish Borders Council joined the meeting and provided some background information on the Borderlands Inclusive Growth Deal and its progress. Board members commented that it was important that SOSE could influence the Borderlands Inclusive Growth Deal, especially if it would be delivering parts of the deal. They also welcomed the close working which had been undertaken between the Council and SOSE. The Chair also formally thanked Bryan McGrath, Director of Operations, Karen Jackson, Director of Strategy, Scottish Borders Council, and Scottish Government officials for their work in developing the deal.

Bryan McGrath, Director of Operations then spoke to the specifics and key points of the Mountain Biking Project.

Decision: The Board agreed to take on the role of project lead on the Mountain Biking Innovation Centre and Bike Park project.

Decision: The Board agreed that its preferred option was a Special Purpose Vehicle, with further work being undertaken to work out the details before a final decision.

Decision: SOSE would continue to hold discussions with FLS on the land ownership which facilitates the development of the project.

Decision: The Board agreed to the revenue spending as outlined in the report.

CHAPELCROSS – UK ‘STEP’ NOMINATION

6. Bryan McGrath, Director of Operations described the opportunity SOSE had to develop a bid for Chapelcross to be nominated as the site for construction of a prototype Fusion power station. The following key points were noted:
 - Scottish Government would be supportive, subject to satisfactory environmental assessments being carried out.
 - The Board were keen that SOSE also kept developing other options for the site whilst awaiting the outcome of the bidding process.
 - The project would fit with other investments which are being made at Chapelcross.

Decision: The Board agreed that SOSE should progress a bid for Chapelcross to be nominated.

MINUTES OF PREVIOUS MEETINGS

7. The minutes of the meeting on 28 January 2021 were agreed. Public minutes would be circulated to Board members electronically for a further sign off.

Decision: The minutes of the previous meeting were agreed.

ACTION LOG

8. The updated action tracker was noted.

CHAIR’S REPORT

9. The Chair provided a verbal update for the Board, highlighting meetings with the Royal Society of Edinburgh, and with the Cabinet Secretary for the Rural Economy. In discussion the Board were given an update on transferring of Business Gateway services from Scottish Borders Council.

CHIEF EXECUTIVE’S REPORT

10. The Chief Executive provided an update on her first week in the job. She noted that she would focus on culture and organisational structure going forward, as well as COP26 and how SOSE could lead on climate change.

COMMITTEE UPDATES

11. Updates from the Shadow Workers' Interest Committee and Remuneration, Nominations and Human Resources Committee were provided for the Board's information. A question was raised on demographics of staff, and the proposed recruitment of Modern Apprentices. The proposed MAs would work across the organisation, gaining experience of different roles. A paid summer internship programme was also being developed by SOSE. Work was ongoing with communications around attracting younger people to work for SOSE.

Decision: The Board noted the updates.

COP26

12. Jayne Ashley, Strategy and Planning Manager joined the meeting to present the paper which outlined proposed SOSE activity in the lead up to the event, during the event, and in the aftermath. The following key points were noted:

- Board members were aware of work being done by Scottish Enterprise and requested that SOSE ensured workstreams aligned.
- SOSE shouldn't neglect the possibility of using the event for inward investment purposes.
- It was highlighted that good work was being undertaken by the Housing Associations and requested that SOSE approach them about this.
- Developing a toolkit for staff around Climate Change was also discussed.
- It is important that SOSE engage with communities and the supply chain to ensure they are making the correct investments.

Decision: The Board agreed the paper and its recommendations.

BREXIT

13. An update paper on Brexit was provided for the Board.

Decision: The Board noted the update on Brexit.

SOSE FUNDS 2021/22

14. Bryan McGrath, Director of Operations provided an overview of the uptake of SOSE's internal funds to date. The following key points were noted:

- Questions were raised around underspend in community related funds. Underspent funds were being utilised in different ways. It was highlighted the pipeline for community projects for next year was strong.
- The geographic and socio-economic spread of investment was also raised by the Board. It was considered important to reach into areas of deprivation to animate community activity. SOSE would work with local authorities and other key stakeholders to help identifying areas of focus.
- Additional Community Development Staff were being brought on Board. Suggestions were made to speak to the Housing Associations as they had strong links in some key areas.
- Promoting support to communities was important and there could be opportunity to publicise the Community Ideas Fund to encourage communities to engage with SOSE.

Decision: The Board noted the update.

SCOTTISH WEDDING INDUSTRY FUND

15. The Board noted the update. The Chair formally thanked the following staff members for their work in developing and administering the fund. The staff members were: Claire Renton, Chloe Purves, Heather Unsworth, Nick Silverstein, Jo Wawrzyczek, Stella Milsom, Kenny Paterson, Ben Campbell, Chris Hammell, and Kathryn Payne.

Decision: The Board members noted the update on the Wedding Fund.

SOSEP PROJECTS UPDATE

16. Bryan McGrath, Director of Operations presented the paper. The following key points were noted:
- It was considered that SOSE should take similar retrospective looks at the projects it has funded in order to learn from these, and to see the impacts made.
 - Challenges around the Textiles Centre of Excellence were raised, and the lack of clarity on its funding. SOSE was still engaging in the project and were discussing the way forward.

Decision: The Board noted the update.

SOSE OPERATING PLAN

17. Karen Jackson, Director of Strategy outlined the proposed next steps in development of the Operating Plan for 2021/22. In discussion the Board considered that the Energy Transition Group work could be a model for other themes to be considered. SOSE was working on how to take that forward, and a paper would come to the Board.

Decision: The Board agreed to the proposed next steps in the development of the Operating Plan for 2021/22.

ENERGY TRANSITION GROUP

18. Karen Jackson, Director of Strategy gave an overview of the work of the group and a Board member followed with a further reflection on its provisional findings. A discussion followed and the following key points were noted:
- The challenges of electric car infrastructure were still a perceived challenge for consumers.
 - It was important to plan developments in a strategic way and aim to ‘touch the network only once’.
 - Upgrades to the electricity grid were a huge opportunity for rural Scotland and it was important to ensure maximum benefit for communities.
 - It was important to ensure costs were not prohibitive to business.
 - Challenges with Ofgem were highlighted, though were noted to be improving. Similar issues were raised with Scottish Power Energy Networks.
 - SOSE building strong links with Zero Waste Scotland was highlighted as important.
 - Purchasing of surplus energy was discussed, with hubs in development to build capacity. It was considered multiple hubs should be located in the South.

Decision: The Board welcomed the update from the Energy Transition Group.

CORPORATE OFFICE ENQUIRIES

19. Susan Cannon, Corporate Governance Lead provided a brief overview of enquiries and reminded Board members about guidance which had been issued relating to the pre-election period beginning in late March.

Decision: The Board noted the update.

ANY OTHER BUSINESS

20. Bryan McGrath, Director of Operations thanked Board members for their understanding with recent Ad Hoc Board Meetings. He noted a further one was likely required for the following week which the Corporate Office would be organising.

The campaign for a Galloway National Park was raised, and it was considered that alternative work was being taken forward.

Spread of misinformation about SOSE was raised by a Board member. An email contact would be circulated to the Board to raise any possible concerns they had.

DATE OF NEXT MEETING

21. Next Full Board Meeting : Thursday 25 March 2021 (9.30am)

SOSE Board Secretariat – 08 March 2021