

# **SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING**

## **30 APRIL 2020 – BY MICROSOFT TEAMS**

### **MINUTES OF MEETING**

<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 (for part of meeting)          Jeremy Sainsbury          Hazel Smith          David Sulman</p> <p><b>Board Apologies</b>          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, acting as Director of Operations</p> <p><b>Observer</b>          Scottish Government Official – Regional          Economic Development Division          (Information removed in the interests of the          effective conduct of public affairs.)</p> <p><b>Apologies</b>          Tracey Graham, SOSE Communications and          Marketing Manager</p>
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### **WELCOME, INTRODUCTION AND APOLOGIES**

1. Russel Griggs, Chair welcomed members to the meeting. There were apologies from Sara Carter and Tracey Graham.

### **DECLARATION OF INTEREST**

2. There were no declarations of interest.

### **MINUTES OF 16 APRIL (paper SOSE (M) 6)**

3. The minutes were approved.

### **ACTION LOG**

4. The action log was noted.

### **COVID-19 - IMPACT ON SMES**

5. Russel Griggs invited Board members updated on the impact of COVID-19 on SMEs. They described how business support to SMEs had previously been delivered, through Scottish Enterprise's relationship with businesses, including 106 account managed companies and through the Business Gateway advice and events programme. He recognised how important it was for SOSE to work with a wider range of businesses to support inclusive economic growth and taking this forward was embedded in SOSE's organisational structure. Putting in place these new relationships was key and integral to the new approach being taken to economic development in the South.

6. The importance of using existing networks and business relationships to reach SMEs across the South of Scotland was highlighted, to understand and to respond to their needs. Working through professional advisors, such as accountants and lawyers, would add capacity to SOSE. It would open up their client base and help identify the needs of businesses and their ability to engage. They would have a good understanding of need and help identify clients who would benefit from support due to the impact of COVID-19 but also looking forward.
7. There were a number of SMEs not able to access sufficient support and continuing to face challenge.
8. It seemed clear that some SMEs were expecting things to return to normal in June and were just waiting for lock-down restrictions to be lifted. It was emphasised that this was not the case and SMEs needed to plan for the new circumstances. They needed support and informed advice to adapt, to adjust and develop the skills necessary e.g., digital skills or specialist retail skills and SOSE should look to provide that sort of support. COVID-19 presented some SMEs with new business opportunities, eg supply to the NHS or local supply, but they needed support to be able to maximise these opportunities.
9. The following general points were made:
  - Important to encourage SMEs to plan for new circumstances and look at how to implement social distancing restrictions. Trade bodies had a role but SOSE could look to support webinars with expert advisors to help people think about restart and recovery; as government guidance was issued.
  - There was an opportunity to look creatively at how business opportunities for SMEs could be generated e.g., whether outdoor facilities could be used to deliver education opportunities for children.
  - Clear messaging around restart was important so that when it was safe and appropriate to travel, visitors to area were welcomed and SMEs were able to benefit as visitors looked to spend locally.
  - As SOSE built its capacity, building key relationships with SMEs across the area was key to the way the new agency should work, with area teams well placed to do this.
  - SOSE should look to support companies with opportunities and explore how best to support the development of new skills and innovative approaches.

#### **COVID-19 – NEW FUNDING SUPPORT**

10. Anthony Daye, Director of Finance, gave an overview of the new funding schemes that were being launched that day (on 30 April) – the Creative, Tourism and Hospitality Enterprises Fund and the Pivotal Enterprises Resilience Fund. John Evans, Director of Enabling Services, confirmed that SOSE had built capacity in appraisal and was drawing in support from other partners.
11. Board members had received detailed briefing setting out the eligibility criteria and appraisal process. They welcomed the schemes and SOSE's role in appraisal and oversight for applications from businesses in the South of Scotland. They noted SE's role in delivery (financial checks and processing) and that would have a cost associated for SOSE and that each enterprise agency area was expected to have a share of the funds proportionate to its business base. It was expected that the funds would be quickly committed, and that careful prioritisation was essential.
12. Nick Halfhide, Chief Executive, confirmed that the financial support that the Board had previously approved would be used to complement the national scheme. This would include making use of the specialist accountancy support approved by the Board.

#### **COVID-19 – PLACE BASED SUPPORT – UNDERSTANDING OUR KEY ENTERPRISES**

13. Bryan McGrath, Director of Operations, introduced paper SOSE (20) 17 which set out the next steps in refining the work to identify key enterprises (including businesses, third sector and community organisations) across the South of Scotland. This work helped develop SOSE understanding of the economy of the South of Scotland and while only at its early stages would help with prioritisation of where resources should be focused and where future relationships should be built. It would help inform who SOSE should be working with as an agency focused on supporting inclusive growth across the South of Scotland. Bryan confirmed that further work would be done to develop the approach, drawing on expertise from a wider range of sources, including the third sector and other areas of expertise.
14. The following general points were made:
  - Other sources of expertise and perspective were suggested, including chambers of trade, Social Enterprise Scotland, Development Trusts Association Scotland.
  - It was important to think about the impact of “transitory” companies on place which offered key opportunities for employment e.g., windfarms.
  - Local knowledge from councillors would be valuable and SOSE was working closely with councils to develop this approach to ensure it could be supported by councils and SOSE.
  - There were different ways to look at place – and it would be helpful to build up from individual settlements.
  - It was important not to miss organisations that operated across the region – e.g., agricultural organisations that were not based in specific communities but were important across places and charities offering support to particular people with specific needs across communities and important to those communities.
  - There was an opportunity to spot new companies – e.g., high-tech start-ups that could become significant within communities.
15. Russel Griggs invited members to continue to reflect on the list and share suggestions for other enterprises that should be included.

#### **COVID-19 – INFORMING THE ECONOMIC RESTART**

16. Russel Griggs introduced the discussion and the need to inform Scottish Government thinking on restarting the rural economy and what the new normality would look like, recognising the economy would not come back in the same way. Karen Jackson, Director of Strategy, spoke to paper SOSE (20) 18 which recognised the complexity of restarting the economy and set out how SOSE could add value to national work by providing detailed insight, interdependencies that would need to be addressed and specific issues for the South of Scotland.
17. The Board welcomed the work. It was important to emphasise that restart would not see a return to the previous economy and enterprise would need different support – e.g., more digital skills. Many aspects of the economy of the South were seasonal and this would impact on restart activity. Clear guidance from national government was essential so that enterprise and sectors could plan effectively. A consistency of approach across the UK was also preferable to avoid confusion and conflict. Restart work would help shape the future plan for the region and where to focus support to maximise impact.
18. The Board agreed that further work would be taken forward:
  - Members would share any insights from their networks.
  - Russel Griggs and SOSE senior leadership would continue conversations with trade organisations and representative bodies, starting with the tourism and hospitality sector.
  - SOSE would liaise with the other enterprise agencies around restart activity.

## **STRATEGIC GUIDANCE LETTER**

19. The Board noted the interim Strategic Guidance Letter from Scottish Ministers which said that all but the most critical business as usual activity should be re-evaluated and halted unless it is clearly making a contribution to the challenge of COVID-19.
20. This guidance letter was very different to the usual Strategic Guidance letters sent to public bodies and Karen Jackson, Director of Strategy, gave a brief overview of the usual process. A representative from Scottish Government, added that it was likely that a further guidance letter would be sent later in the year.

## **CHAIR'S REPORT**

21. Russel Griggs highlighted the Scottish Government's advisory Group on Economic Recovery, led by Benny Higgins. SOSE, together with the two Councils, would seek to engage with the group to ensure it was informed by the needs of the rural economy.

## **CHIEF EXECUTIVE'S REPORT**

22. Nick Halfhide, Chief Executive updated the on work to establish SOSE and the continued recruit which saw the staff complement reach 22 people. He continued to take forward a range of discussions to build key relationships with stakeholders across the South of Scotland.

## **DATE OF NEXT MEETING**

23. The next meeting of the Board would be on 14 May and two Board members were invited to present on the impact of COVID-19 on land-based industries. There would be an induction session on 7 May and it was requested that declaration of interests were covered.

## **ANY OTHER BUSINESS**

24. As there was no other business, Russel Griggs thanked members and closed the meeting.

SOSE Board Secretariat – 4 May 2020