

APPROVED PUBLIC MINUTE OF MEETING

SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING

(Note: This public minute excludes wording removed in the interests of effective conduct of public affairs.)

23 April 2026

The Borderlands Deep Tech Accelerator Hub, Buccleuch Road, Hawick, TD9 0EH

Board members in person Professor Russel Griggs OBE (Chair) Anna Austin Alistair Cameron Rory Christie Helen Forsyth Emma Guy Duncan McConchie Jane Morrison-Ross, Chief Executive Mary Thomson Paul Winstanley via MS Teams SOSE Senior Leadership Team in person Karen Jackson, Director of Strategy and Insight, Martin Valenti, Director of Investment and Sustainable Enterprise, Donna Marshall, Interim Director of Investment, Business and Entrepreneurship Apologies: Colin Cook, Director of Economic Development, Scottish Government Allan Harrow, Director of Business Enablement Stephen O'Neill, Deputy Director Entrepreneurship & Innovation Scottish Government in person Scottish Government Officials – Regional Economic Development Division	External guests Representative from CX Power Representative from Edinburgh Napier University SOSE staff via MS Teams Alan Manthorpe, Strategy Executive SOSE Staff in person Lucy Filby, Head of Agricultural Transition Chris Hammell, Enterprise and Business Manager Maureen Malone, Head of Governance and Assurance, DPO Nicola McArthur, Head of Finance Services Phil McCreadie, Head of Enterprise and Business James Proctor, Community Development Specialist Ed Shoote, Economic Infrastructure Development Specialist SOSE Admin Staff in person Claire Barrett, Executive Assistant to Interim Director of Investment, Business and Entrepreneurship Linsey McGillivray, Executive Assistant to Chair
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WELCOME AND APOLOGIES

1. The Chair welcomed all to the meeting and stated the meeting was quorate. Apologies were noted as above.

BORDERLANDS DEEP TECH ACCELERATOR HUB

2. The Chief Executive set out the vision for the Borderlands Deep Tech Accelerator Hub (BDTAH). The BDTAH would catalyse and create a new innovation ecosystem for the South of Scotland – one that would allow ideas to be developed, tested, and scaled without leaving the region. Based in Scotland’s Natural Capital Innovation Zone, the BDTAH would work to combine deep tech expertise, rapid prototyping, and business support in a single connected hub. It will bring national-level capability – from AI and robotics to advanced design and manufacturing – directly to rural businesses, entrepreneurs, students, and communities. By supporting both traditional industries and emerging sectors, and by putting access, inclusivity, and social impact at its core, the BDTAH will help the South of Scotland lead in innovation, productivity, and sustainable growth.
3. On a practical delivery focused level, the BDTAH will transform ideas into impact powering innovation for the South of Scotland by harnessing national expertise to collaborate on growing and developing solutions to unlock socio-economic and environmental prosperity. The products and solutions developed at the hub will be supported/guided by SOSE and our partners into existing and emerging markets via our market making approach.
4. The BDTAH will be run by SOSE in association with identified partners and will operate to a detailed business plan that will be developed and brought to a future Board meeting.
5. The business plan will set out a range of options for revenue streams and describe how the building would operate and describe its range of uses including clean labs and robotics.

BOARD INTERNAL MATTERS

6. The note of the previous confidential internal matters item at the meeting on 26 February 2026 was approved.
7. A separate confidential note was taken of the Board internal matters items.

DECLARATIONS OF INTEREST

8. The Chair informed there were no declarations of interest prior to the meeting and there were no new declarations of interest at the meeting.

MINUTE OF PREVIOUS MEETING AND ACTION LOG

9. The minute of the previous Board meeting held on 26 February 2026 was approved with two amendments:
 - Wording re (121) the wider apprenticeships and college pathways
 - Wording re (78) remove the word “draft” re budget
10. The minute of the Ad Hoc meeting held on 02 April 2026 was approved with one amendment re the wording of displacement and processing own bought-in cattle.

Decision	The minute of the Board meeting held on 26 February 2026 was approved with two amendments. The minute of the Ad Hoc Board meeting on 02 April 2026 was approved with one amendment. The action log was noted.
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CHAIRS REPORT

11. The Chair recapped on activity during 2026 by providing a video presentation which had been produced by the Apprentice in the Communications Team.
12. It had been a busy first quarter and the Chair thanked the First Minister for his time in visiting Kight Ltd and Center Parcs in the South of Scotland.

CHIEF EXECUTIVE'S REPORT

13. The Finance, Delivery, and HR teams received thanks for their hard work.
14. The Chief Executive informed of:
 - HR challenges
 - Cyber Security
 - Work on the appraisal and grant process to ensure proportionality.
 - The Regional Edge awards event
 - Pathways
15. The SLT Performance report was discussed, and it would be refreshed after consultation with Board to agree what the report should now contain.

RISK MANAGEMENT UPDATE AND RISK APPETITE HALF YEAR REVIEW

16. SOSE's Head of Governance and Assurance, DPO provided an update on the corporate risk position and risk appetite, and informed that moving into the new financial year, new risks had been added, downgraded, re-titled and given new descriptions.
17. Board members requested to be updated on the Risk Register quarterly rather than six monthly.
18. A deeper dive on project risk registers would be provided on the Mountain Bike Innovation Centre (MTBIC) and MySOSE major projects and shared with Board members via Admin Control.
19. Thanks were extended to the Head of Governance and Assurance, DPO.

SUPPORTING AGRICULTURAL TRANSITION

20. The discussion paper provided reviewed the approach adopted by the Agricultural Team (Ag/Team) to provide clarity on the best possible focus that would support regional agricultural transition. A small expert group would convene to dive deeper into the focus areas and prepare a paper reflecting collective agreement. The small expert group would meet in the next few months and feedback to the wider board at a future meeting.
21. The paper mentioned the shifting approach from the Scottish Government (SG) from subsidies towards supporting high-quality food production that also addressed climate change and nature restoration. SOSE's focus therefore was to identify how our support best met the SG's direction but also to seek to work collaboratively with other organisations, ensuring responsibilities were shared rather than shouldered solely by SOSE.
22. Areas raised during the discussion covered a need for clarity on agricultural transition and expectations/support from both the UKG and SG. Credible pathways to net zero were required. Other initiatives highlighted included securing external funding to pioneer approaches, such as last year's successful Small Producers Fund and Horizon Europe funding, which drove innovation and skill development on farms. Work had also been undertaken on supply chains to establish opportunities.
23. Board members acknowledged the team's achievements.
24. Should the Board determine additional focus on agriculture was needed, resources may need to be reallocated accordingly. SOSE's ambitions for agriculture needed to be defined and key choices identified.
25. It was suggested there was merit in focusing efforts on large-scale producers to maximize impact and they would influence the rest of the industry.
26. The Chair highlighted SOSE's major investments, including Lactalis, Arla and Pickstock (the largest investment in Scotland for thirty years) and requested a group meet prior to the Autumn strategy meeting to further explore expertise, focus and partners.

THE FUTURE FOR CHAPELCROSS

27. The CEO of CX Power attended Board to inform of CX Technology Campus Progress. A summary was provided of the status:

- The design and planning of the data centres.
 - Environmental and Geoenvironmental surveys and findings.
 - Progress with SPEN, D&GC, Scottish Water.
 - The development agreement.
 - Community engagement.
 - Risks and opportunities.
28. It was noted Net Zero would be uppermost in consideration with the reuse of emissions/waste heat and construction would be by net zero techniques, materials and vehicles.
29. There was discussion around the unique location of Chapelcross and the massive opportunity of energy transition to attract more inward investors to the South of Scotland.
30. The Chair thanked the CEO of CX Power for his presentation and the Board was appreciative of his ambition and drive as the data centres would be transformational to the South of Scotland.

SCOTTISH PARLIAMENT ELECTIONS 2026 AND SOSE ACTIVITY POST-ELECTION

31. A paper was provided to set out the process and timeline for appointing the Scottish Government following the Scottish Parliament election and plans for key areas of engagement activity for SOSE post-election.
32. Following the election there would be communication with MSPs to raise awareness of our region and to arrange a series of visits over the summer.

Decision	The Board noted the update on process and planned SOSE engagement activities and the highlighted areas of priority focus.
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BORDERLANDS DEEP TECH ACCELERATOR HUB (BDTAH) AND TOUR

33. Due to time constraints the BDTAH tour was postponed.

STRATEGIC PROJECTS UPDATE

34. **Hemspan**
35. The Board was asked to approve a £980,000 minority equity investment as part of the £4.0m Round 1 raise, limited to validation and early commercial derisking activities only.
36. Approval was subject to satisfactory due diligence, confirmation that the wider Round 1 funding package was in place, and an agreed milestone-based drawdown schedule.
37. There was no commitment to manufacturing scale-up or future funding rounds, which would return for separate appraisal and Board decision.
38. SOSE's Head of Agricultural Transition joined Board to provide a presentation and discussion was around the wider direction of travel, the support to Place, inclusive growth, just transition to Net Zero, Natural Capital and Community Wealth Building.
39. The Chief Executive informed that the company was committed to the South of Scotland and conversations were being held with Indinature and Hilltop Leaf.
40. The Chair and Board members agreed for EY to look at due diligence and agreed that without a legal commitment for this company to be in Scotland then it would be difficult to support. SLT would ensure EY covered relevant matters raised by Board and their final report would be included in the next appraisal request when it returned to Board.

Decision	Board agreed to give Ernst & Young permission to do due diligence to bring back to SOSE to consider the opportunity for investment – and the project was to come back to the Board.
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41. Kight Ltd

42. Board approval of £400,290 grant and £240,000 equity to Kight Powerhub BESS (Scotland) Ltd was sought to support the establishment of manufacturing operation in an industrial unit located in Locharbriggs, Dumfries and Galloway. Final investment was subject to satisfactory due diligence outcomes and confirmation of subsidy compliance.
43. SOSE's Enterprise and Business Manager attended Board to support the paper that had been circulated to Board members. Legal work due diligence was underway and there would be additional safeguards around the number of jobs created. A shareholders' agreement was also being put in place.
44. Board members appreciated the clarity of the paper and discussion was around the importance of energy resilience, the risk of sole supply and the balance of grant and equity funding.
45. It was seen by Borderlands as a really good project and a full business case was being drafted.

Decision	The Board approved £400,290 grant and £240,000 equity investment for Kight Powerhub BESS (Scotland) Ltd to support the establishment of manufacturing operation in an industrial unit located in Locharbriggs, Dumfries and Galloway. No grant or equity funding would be committed or drawn down until the following conditions were satisfied: • CMS due diligence exercise to be completed • CMS confirm appropriate subsidy award route • Investment agreement/subscription agreement to include appropriate information/board observer rights • Signed lease of Liberty site for 10 years
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46. Lockerbie Old School

47. The Board was asked to approve a Change of Control.
48. The request was for a grant uplift of an additional amount up to £90,000 to complete the renovation of the school into a Community Wellbeing and Enterprise Centre.
49. Approval was conditional on the Lockerbie Old School Board securing a fully funded package of additional financial support from other major funders sufficient to meet all remaining construction and fit-out costs and enable completion of the Centre in line with the agreed scope.
50. This contingent approach would mitigate delivery risk, protect the value of the public investment already committed by SOSE and other funders, and support completion of a facility central to the project's economic and community outcomes.
51. The company would pursue a social investment fund for the ancillary costs.

Decision	The Board approved the Change of Control: a contingent uplift of up to £90,000 to the existing capital grant to Lockerbie Old School Community Hub SCIO, increasing the total SOSE grant to £1,582,249.
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MAKING A DIFFERENCE – MOUNTAIN BIKE INNOVATION CENTRE (MTBIC)

52. The Vice Principal, Regional Innovation and External Affairs, Edinburgh Napier University and SOSE's Economic Infrastructure Development Specialist provided a presentation to Board informing of the upcoming new branding of the Mountain Bike Innovation Centre to Bike-Innovation Scotland which would be split into two: Bike-Lab Scotland Trail Lab and Caerlee Mill.
53. There would be co-creation, multi-method approaches, user engagement, multi-stakeholder participation and the partnership with SOSE was very important as it was the only one that had been done with an enterprise agency.

54. Discussions were underway with Borders College to look at the model of bike engineering, product design or the business side to build blocks towards a Degree.
55. The Chair thanked the Vice Principal for his presentation, and for the huge opportunity of economic value to the region and the benefit to young people and beyond which was exceptional.

MONEY MATTERS

56. The Head of Finance Services shared a paper providing a comprehensive overview of the financial performance of South of Scotland Enterprise (SOSE) in the financial year ending 31 March 2026. The report detailed variances between budgeted, and actual expenditures providing the draft outturn for the year.
57. The Board were informed that the interim audit was complete with no issues.
58. The Chair formally recorded thanks from the Board.

Decision	The Board noted the Financial Report 01 April 2025 – 31 March 2026
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OPERATING PLAN

59. The Operating Plan was shared for information.
60. Following the election on 07 May the Operating Plan would be published on the SOSE website. There were no additional external communications planned around the publication.

Decision	Board members approved the Operating Plan
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IMPLICATIONS OF WAR IN THE MIDDLE EAST

61. A paper had been circulated outlining the context of the impact of conflict in the Middle East on the South of Scotland including the impact on households and businesses: energy prices, cost pressures and the implications for the housing and mortgage market.

HEALTH AND SAFETY REPORT

62. The Health and Safety Report had been circulated to Board members for information, and it was formally noted.

Decision	The Board noted the Health and Safety Report.
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A.O.B.

63. The Chair and Board members thanked and praised the Interim Director of Investment, Business and Entrepreneurship, Deliver for the outstanding job in her interim post.

PAPERS FOR INFORMATION

64. The undernoted papers were provided for information:
 - Forward plan
 - Implications of War in the Middle East
 - Operating Plan

DATE OF NEXT MEETING

65. 24 June 2026.