



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.]

19 DECEMBER 2024

THE JOHNSTON, ST MARY ST, KIRKCUDBRIGHT DG6 4EG

Board Professor Russel Griggs OBE (Chair) Alistair Cameron Rory Christie Viv Cockburn (via MS Teams) Helen Forsyth Emma Guy Kirsten Hannay Duncan McConchie Jane Morrison-Ross, Chief Executive Jeremy Sainsbury Mary Thomson (via MS Teams) Paul Winstanley Zoe Greenfield (Board apprentice) SOSE Senior Leadership Team Anthony Daye, Acting Director of Place and Enterprise Allan Harrow, Interim Director of Finance and Corporate Resources Karen Jackson, Director of Strategy, Partnership and Engagement Dr Martin Valenti, Director of Net Zero, Nature and Entrepreneurship	Scottish Government Scottish Government Officials – Regional Economic Development Division Guests in person Anna Austin, Caerlaverock Estate Jake Hannah, Youth Advisory Forum SOSE Staff via MS Teams Lisa Denham, Community Development Advisor Lynne Kirkwood, Head of Performance, Measurement and Pipelines Nicola McArthur, Head of Finance Services Kate Musgrave, Head of Enterprising Communities Paul Wheelhouse, Head of Energy Transition SOSE Staff in person Jayne Ashley, Head of Natural Capital Jayne Murdoch, Natural Capital Engagement Manager Linsey McGillivray, EA to Chair – Minute Yvette Samuels, EA to Allan Harrow Heather Unsworth, EA to Karen Jackson
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WELCOME AND APOLOGIES

1. The Chair welcomed Board members, guests and colleagues to the meeting. The meeting was declared quorate.

BOARD INTERNAL MATTERS

2. There were no internal matters raised, and the Board noted the minute that had been circulated.

DECLARATIONS OF INTEREST

3. There were no declarations of interest.

MINUTE OF PREVIOUS MEETING AND ACTION LOG

4. The Minute of the meeting held on 31 October 2024 was approved with amendment to the item on the Working Week Evaluation. (To expand to include the need for more external evaluation of the impact and to consider the whole package that staff receive.)
5. It was noted action 5 on the action log had been omitted when it was still “in progress” and this would be reinstated.
6. The Chief Executive provided an update on the action to continue to explore bringing Dumfries and Galloway Business Gateway into SOSE. The consultation was being extended with businesses and there would be further update in January. The Chief Executive had offered to look at other collaborative solutions.

Decision	The minute of the previous meeting on 31 October was approved with some amendments
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CHAIR'S REPORT

7. The Chair informed Board members of recent engagements:
 - Gillian Martin MSP, Acting Cabinet Secretary for Net Zero and Energy, attended a roundtable in Melrose where the farming community expressed their uncertainty due to the lack of information provision.
 - Budget – the 2025/26 Budget had been received and it was a little better than expected.
 - Inward Investment – A site visit had taken place by an inward investor and potential supplier to Dumfries. The inward investor appreciated that the South of Scotland was receptive to new technologies.
 - Housing – there was discussion around the use of a 3D printer which enabled a 3-bedroom concrete house to be made in 2 days (already in use in other countries). It was suggested the machine be bought and tested in order to fill the housing gap. There was discussion around using timber and it was suggested that with the use of new insulated concrete, hardly any insulation would be required.
 - John Swinney, First Minister visited Crocketford and Carbon Removers. There was discussion about the A75 and also the Scottish National Investment Bank (SNIB). There were ongoing discussions around SNIB with the Deputy First Minister.

CHIEF EXECUTIVE'S REPORT

8. The Chief Executive informed the Board of recent engagements and activity:
 - Budget – The Chief Executive had met with the Director of Economic Development to discuss the budget, the increase in capital and small increase in revenue resource funding. Although this was an improvement on the best-case scenario, SOSE remained focussed and careful about investing public money.
 - Roundtable with Deputy First Minister – the Chief Executive attended the first of these and conversation focussed on offshore wind. It was a good forum to air challenges and focus on delivery opportunities.
 - Dumfries & Galloway Council – meetings continued. As part of the public sector reform work, Business Gateway would be looked at on a national level to seek ways to better deliver. Planning permissions were also discussed, and two new planning officers had been appointed which may help with blocks and delays.

- Natural Capital Innovation Zone (NCIZ) – as the South of Scotland had been designated as the NCIZ, new branding had been launched at SOSE to showcase this.
 - Visits to organisations and stakeholders continued including a visit to Hilltop Leaf. Thanks were given to the Chair who introduced a potential investor to Hilltop Leaf and who was now an investor.
 - SOSE had helped support companies with improving their Net Zero plans and this expertise had in turn helped convince international companies to consider investing.
 - SOSE transformation plans had been brought to the October Board and since then there had been working sessions with Senior Leadership team and a session with the Senior Management Team. Feedback had been positive and there was a great deal of excitement and enthusiasm about the next steps for SOSE. A transformation map plan was in process. The people element with any change or maturation was critical and there would be focus on the language used in messaging going forward.
 - Finance – thanks were given to the Finance Team for the huge amount of work on reporting and information they provided. Huge progress had been made and work continued towards a balanced budget with slippage factored in.
9. Senior Leadership Team (SLT) Board Report
 10. The Board Report included a deep dive by the Net Zero Nature and Entrepreneurship Directorate which provided information on natural capital, agriculture, dairy, food and drink.
 11. Discussion ensued:
 12. Mountain Bike Innovation Centre (MBIC) – The recent community meeting at Innerleithen went well and plans go forward to knock down the old mill and build the MBIC on the site. A Board member commented that it would be appropriate to arrange an operational stage exit strategy if required.
 13. MySOSE – The Interim Director of Finance and Corporate Relations informed that there was further delay in technical transition. There had been challenges with data migration and the Contractors had informed completion would be mid-January. The Interim Director of Finance and Corporate Resource suggested the system go live in April in the new financial year. Board members, although disappointed, commented that this extra time was optimal, and it offered more time for staff training in a phased manner.
 14. Net Zero Nature and Entrepreneurship – there was comment in an internal audit review that there was limited assurance around Net Zero with the lack of an articulated plan for long term ambition and targets. The Director of Net Zero Nature and Entrepreneurship provided assurance that work was being undertaken to achieve objectives and that there was a Net Zero plan. The appointment of the Head of Sustainability closed a capability gap and there was a plan to ensure this would not happen again and to address the issues raised with internal audit. The energy and agricultural transition plan would be drafted, and it was hoped to share that report in April. Board members were reassured that the Team were very passionate, and roundtables had been held with a full range of partners to shape the agricultural transition plan; conversations had taken place with farmers, landowners, Quality Meat Scotland (QMS), National Farmers Union Scotland (NFUS) and key supply chain organisations.
 15. A Board member requested that the word “Just” be added to the agricultural transition.

SG official joined the meeting

NATIONAL PARK

16. The Head of Natural Capital, the National Capital Engagement manager and a representative from the Youth Advisory Forum – YAF (also employed by the Galloway and Southern Ayrshire Biosphere – GSAB) attended the meeting and provided a powerpoint presentation.

17. The Board discussed the proposal for a new National Park for Galloway noting the strong range of opposing views that were playing out across the region. Board members expressed a range of views about the challenges of SOSE getting significantly more involved but overall agreed that the opportunities to show leadership were needed. An action was agreed for SOSE to consider an alternative approach that could involve activating existing players/organisations in the Galloway region to deliver on the economic and environmental aspirations of the Scottish Government as stated in their consultation processes. Colleagues from Strategy, Partnership & Engagement and Net Zero, Nature & Entrepreneurship would pull together at least one proposal to share with Government prior to the current consultation ending.
18. The team were thanked for a wonderful presentation that stimulated good discussion.
19. The Director of Strategy, Partnership and Engagement would determine the timescale for action.

SG official left the meeting.

Kirsten Hannay left the meeting.

FUNDING APPLICATION

20. The Board considered one funding application.

"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.

MONEY MATTERS

21. A Finance update and a paper detailing the draft of the 2025/26 budget had been circulated.
22. The Director of Finance and Corporate Resources was pleased with the budget setting and said it reflected the good work that had been done. The additional capital funding was a result of the pipeline approach that SOSE had been taking – the sight of future activity made bargaining for the additional funding easier.
23. The Head of Finance joined to give an overview of the 2025/26 Budget, where SOSE was likely to land this year and what was planned for next year.
24. The Team were confident that SOSE would land on budget by 31 March 2025. Over half of capital was still to be delivered in the final quarter.
25. The Team were working hard to deliver on the Pathways funding and this may come in at underspend.
26. The paper sought the Board approval for:
 - Approval of the basis of the budget, along with the noted changes including the assumptions made.
 - Approval of the budget contained within the paper. Finance sought approval to inform budget holders they could start to work on these lines, to allow work to commence swiftly in the new financial year.
 - Approval of capital over allocation to support spend in year, to support in year slippage.
27. It was acknowledged that decision making had put SOSE in a hard place and the view in 2019 was very different – SOSE was suffering the consequences of Covid, so it was important that flexibility was retained, and lessons had been learned.
28. At the Board meeting on 06 March 2025 a full discussion would take place around transformation and budget.
29. Thanks were given to the Head of Finance and the Finance Team for their work.

Decision	<p>Board approved:</p> <ul style="list-style-type: none">• The basis of the budget, along with the noted changes including the assumptions made.• The budget contained within the paper and approval to inform budget holders they can start to work on these lines, to allow work to commence swiftly in the new financial year.• Capital over allocation to support spend in year, to support in year slippage.
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ENERGY TRANSITION PLAN

30. The Head of Energy Transition attended Board via MS Teams to present on "Powering Ahead: An Energy Transition Plan for the South of Scotland".
31. The presentation covered:
 - Why the South needs an Energy Transition Plan: its purpose and audience
 - Energy Transition Plan Content
 - Mission-led approach
 - Baseline position & Pen Portrait / Case Studies
 - Opportunity Sectors, Economic Impacts and Key Locations,
 - Next Steps
32. There was a dynamic external policy timeline – and SOSE's own plan would be used to influence the actions and policies of others.
33. The three D's were referenced: Decarbonise, Democratise, Decommodify.
34. Reflection was made on how far the South of Scotland has come as a key player in energy transition and the scale of opportunities ahead.
35. The Energy Transition Plan would be drafted for review early 2025 and feedback on the draft would be sought from Board. Following the approval of the Plan there will be a planned campaign to promote it and generate buy in.
36. Board members comments included:
37. Further discussion was required on delivery of complicated schemes and the costs for maintaining them. (Example was given of the windfarm in Berwickshire where grid capacity was fully committed.)
38. There perhaps would be opportunity to offer GB Energy a seat at the table and feed into the special energy plan to identify priority investments and work with developers.
39. It was queried if there was an opportunity to do a "Clean Power Plan" too. It would require a really concise short piece of work to update this and focus on the low hanging fruit going forward.
40. There was a gap in green skills and emphasis was on the importance of life-long learning.
41. Opportunities for pilot projects and demonstrations were highlighted.
42. It was queried if we could start to use more of the surplus power that we produce –in our region.
43. The Head of Energy Transition was thanked for his presentation and time.

SOSE EXPERT IMPACT

44. The Director of Net Zero, Nature and Entrepreneurship provided an example of SOSE's involvement and provision of time and expertise. He informed of Kirkcudbright swimming pool which was about to close but with help from the Net Zero Accelerator Fund, and expert advice and time from several SOSE colleagues from different directorates, the pool stayed open and financial savings were made.
45. The Head of Performance Measurement and Pipelines attended to provide an overview of the paper that had been submitted proposing the direction of travel in how SOSE aimed to capture evidence and the expert impact of staff and intangible activity in 2025/26.
46. Comments from Board members included:

- Knowledge and expertise was not time and it was recommended to ensure to include time, as organisations may require little bits of time here and there repeatedly.
 - Query if a skills audit had been done of staff to look at skills gaps, discover hidden skills. It was confirmed this has been done before and will be done again.
 - It was suggested to ask staff an open question "What have you drawn positive satisfaction on within the last year" to promote responses.
 - The numbers/metrics were not included – not all 140 people employed were 'experts'. Use the brand and use stories to say what SOSE do.
 - The Acting Director of Place and Enterprise was in agreement and informed case studies were used where the expertise was impactful. SOSE provided expert help where they could but leading edge expert help would be provided by consultants, and their daily rate would be much more than the conservative figure used to portray SOSE rate.
47. Board members were cognisant of the need to capture the different things that SOSE did, and it looked like we were going in the right direction.
48. Thanks were given to the Head of Performance Measurement and Pipelines.

MAJOR INVESTMENT UPDATES

49. The Acting Director of Place and Enterprise provided a verbal update on major investments.
50. Center Parcs – had made good headway. A team meeting would be held in January and contact had been made with SEPA and SSSEN.
51. MBIC – The Planning application will be submitted in January to allow for all paperwork to be submitted within the application. There had been good community engagement and positive feedback with suggestions to retain the chimney stack.

HEALTH AND SAFETY REPORT

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

A.O.B.

53. MBIC internal audit – a paper had been circulated providing clarity in roles and responsibility between Board and ARC and compliance for MBIC.
54. Gifts and hospitality – It was noted that it was appropriate for SOSE employees but for Board members it should be caveated "relating to SOSE business".
55. Formal thanks were given to the Board Apprentice who responded with her thanks for the opportunity and the generosity of Board members time. The experience had greatly influenced her professional and home life.
56. The Chair reflected it had been a good but challenging year. Thanks were given to Board members and colleagues and wishes were given for a wonderful Christmas and thoughts for 2025.

PAPERS FOR INFORMATION

57. The undernoted papers were provided to Board members for information:
- Gifts and Hospitality Policy
 - Minutes of ARC 05 June and 14 August
 - Minute of JTC 20 August
 - Minute of POD 26 June and 08 August

Approved at Board on 06.03.2025

- Board Forward Plan

DATE OF NEXT MEETINGS

- SOSE Board members ad hoc meeting 5 February 2025 at Moffat Golf Club (in person meeting)
- 6 March 2025 venue tbc