



## 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.]

**09 MAY 2025**

**The Haining, Haining Estate, Selkirk TD7 5LR**

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| <p><b>Board</b><br/>Professor Russel Griggs OBE (Chair)<br/>Anna Austin<br/>Alistair Cameron<br/>Rory Christie<br/>Helen Forsyth<br/>Emma Guy<br/>Duncan McConchie<br/>Jane Morrison-Ross, Chief Executive<br/>Jeremy Sainsbury<br/>Mary Thomson<br/>Paul Winstanley</p> <p><b>SOSE Senior Leadership Team</b><br/>Anthony Daye, Acting Director of Place and Enterprise<br/>Allan Harrow, Interim Director of Finance and Corporate Resources<br/>Karen Jackson, Director of Strategy, Partnership and Engagement<br/>Martin Valenti, Director of Net Zero, Nature and Entrepreneurship</p> <p><b>Guests</b><br/>Representative from The Haining Charitable Trust<br/>Representative from The Carbon Removers Limited</p> <p><b>Apologies:</b><br/>Kirsten Hannay</p> | <p><b>Scottish Government</b><br/>Scottish Government Officials – Regional Economic Development Division</p> <p><b>Scottish Government via MS Teams</b><br/>Scottish Government Officials – Regional Economic Development Division</p> <p><b>SOSE Staff via MS Teams</b><br/>Melissa Gunn, Youth and Employability Manager<br/>Donna Marshall, Head of Economic Infrastructure<br/>Nicola McArthur Head of Finance Services<br/>Chris Hammell, Enterprise and Business Manager</p> <p><b>SOSE Staff in person</b><br/>Jayne Ashley, Head of Natural Capital<br/>Claire Barrett, EA to Anthony Daye<br/>Susan Cannon, Corporate Governance Lead<br/>Paul Cathrow, Head of Economic Infrastructure<br/>Maureen Malone, Head of Governance and Assurance<br/>Linsey McGillivray, EA to Chair – Minute<br/>Alex Stewart, Head of Sustainability<br/>Paul Wheelhouse, Head of Energy Transition</p> |
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#### WELCOME AND APOLOGIES

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

## THE HAINING WALK/TALK TOUR

2. The representative from Haining Charitable Trust hosted Board members on a walking tour whilst informing of the history of the Haining Estate and building. The Haining was maintained by a Charitable Trust, had good support from the community and was a huge asset to Selkirk. The project was becoming sustainable, and tribute was paid to, SOSE's Business Advisor who had worked closely with the Trust on the project in its early stages.

## BOARD INTERNAL MATTERS

3. The note of the previous internal matters item at the meeting on 06 March 2025 was approved.

## MINUTE OF PREVIOUS MEETING AND ACTION LOG

4. The Minute of the meeting held on 06 March 2025 was approved. The Action log was noted.

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| <b>Decision</b> | The minute of the meeting held on 06 March 2025 was approved. |
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## CHAIR'S REPORT

5. The Chair informed Board members of recent meetings:
  - First Minister Visit to the Scottish Borders on 15 April – during his visit the First Minister said that Scottish Government had hoped this new enterprise agency (SOSE) would build economic development from the communities upwards and he thought SOSE had done that and that we should be very proud.
  - SOSE's 5<sup>th</sup> Anniversary – having reflected on the last five years of SOSE, the Chair congratulated the Board, SLT, colleagues and Scottish Government Sponsorship Team for their achievements.
  - Center Parcs – the Chair, Chief Executive, SOSE's Head of Economic Infrastructure and SOSE's Economic Infrastructure Development Specialist visited Center Parcs in Longford, Eire and met with Center Parcs colleagues and Longford County Council colleagues. The local town of Ballymahon had been regenerated and it was agreed to become closer to the local Council. The Center Parcs team continued to be good partners.
  - Offshore Wind event attended with Head of Energy Transition.
  - Battery project – the inward investors would return for a meeting at the beginning of June, and the project was moving well with several places in the South of Scotland where pilot batteries were up and running.
  - Committees:
    - The Economic Committee was in abeyance.
    - The Lessons Learned Committee (LLC) – The Interim Director of Finance and Corporate Resources would lead, Alistair Cameron would Chair and Anna Austin and Duncan McConchie would sit on this Committee.

## CHIEF EXECUTIVE'S REPORT

6. The Chief Executive informed the Board of recent visits, issues and challenges:
7. Center Parcs – The Chief Executive echoed the Chair's comments and spoke of the new visitor economy to the Longford area such as businesses, infrastructure, and close collaboration to allow lessons to be learned on how to support new people to the area as part of employment, housing, construction and the levering of other investment. Talks would continue with the Scottish Development International office and the IDA Ireland.

8. Programme for Government (PfG) – there was an opportunity for SOSE to feed into the draft of the PfG but none of SOSE’s input was taken forward. The Director for Economic Development acted as a good conduit but there was little acknowledgment of the South of Scotland and SOSE. There was one mention of innovation in the South of Scotland in Coldstream.
9. SOSE had engaged with the Deputy First Minister, the First Minister and Cabinet Ministers and yet HIE continued to be used as an example of a rural economy, it was damaging and frustrating. There would be an election next year and the South of Scotland may not be seen as a vote winning area. Board members shared the Chief Executive’s frustration.
10. The Director of Economic Development agreed that the South of Scotland’s profile needed to be raised professionally. All agencies were involved in the preparation for the Programme for Government and although South of Scotland and SOSE’s input were included at one stage there were many drafts, and the programme became tighter and only actions driven by Government with specific budgets attached to them for delivery in the next 12 months were included.
11. The Chief Executive called upon Board members to assist in the challenge to push the messaging for the South of Scotland to be seen as a major area to drive economic change and that the area could impact the rest of Scotland. There was opportunity for SOSE to push the messaging and our conversations and engagement were positive.
12. The Chief Executive continued to visit communities and businesses.
13. A roundtable was planned for the Borders region with Tom Arthur, Minister for Social Care, Mental Wellbeing and Sport of Scotland, in attendance.
14. A SOSE colleague had been seconded to the AI lead post for 6 months and was already working on Pathways and the extension of this programme until March 2026. Workstream focus was on tech, AI and manufacturing.
15. The performance report was discussed. The setting of targets, ranges and budgets had been adjusted. Discussion was underway with Scottish Government to create a suite of standard measures and also to look at secondary measures.
16. Board members commented:
  - It would be interesting to look at and understand any anomalies.
  - Performance measurement capture from previous projects (those helped in the past by SOSE) was encouraged.
  - Referral was made to previous minutiae: how many new enquiries SOSE had each week and response time.
  - MySOSE risks – key to SOSE efficiency going forward. Would be a powerful tool.
  - SDS risks – a strategic review meeting would take place in September, and the Acting Director of Place and Enterprise and Interim Director of Finance and Corporate Resource will feedback.
  - The Chair of the Audit and Risk Committee informed that shared services will be discussed at the next ARC meeting.
17. The Scottish Government Director of Economic Development said that the shared services issue was being monitored along with SE and HIE. There was not a clear development path for the shared services by SDS but SG would like it to be more developed and powerful.

## **FUTURE INNOVATION HUB**

18. Discussion took place around the proposed property purchase of the Borders College building in Hawick to enable the establishment of a Future Innovation Hub; a dedicated space to drive innovation in advanced manufacturing and product design, foster collaboration and accelerate sustainable economic growth in key manufacturing sectors.
19. The Chief Executive informed of new opportunities that may arise including the use of deep tech AI robotics, extending the development of the AIMS project to deliver equipment to companies, helping new business start-ups using precision manufacturing whilst having a natural capital focus, textile focus, and working with electronic companies, agriculture and tie in to R&D development for the consumer product supply chain.

20. The location in Hawick was ideal due to proximity to Edinburgh and capitalising on some of the strategy there going forward, because of links with Heriot Watt, Borders College, Napier University and the Mountain Bike Innovation Centre. (Dumfries & Galloway have Dairy Nexus, Chapelcross, The Green Energy Hub and there was nothing innovative in the Borders.)
21. The AIMS equipment would remain in the building and there were key textile businesses in the Borders (in this area of multiple deprivation) that were keen for this opportunity. Tenants would offset costs, and interest had been noted from an AI company and a large construction company. Milestones and objectives with performance criteria would be measured to ensure capital delivery. SOSE were also in discussion with Scottish Government regarding further funding sources including the further development of Pathways and a Deep Tech supercluster project. The SG Director of Economic Development agreed that AI and robotics align very much to Scottish Government's deep tech ambitions, and it would be an attractive proposition.
22. It was agreed that before a final decision was made, that it should be ensured the building was fit for purpose.
23. Board members were in agreement in principle with the purchase of the building to establish a state-of-the-art innovation hub and were supportive of the provision of a final paper with more detail on the ongoing commitment, the suitability of the location (Borders vs D&G), the opportunities the building would allow and the downside if the output of the building does not achieve.

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| <b>Decision</b> | Board members were in agreement in principle with the purchase of the building to establish a state-of-the-art innovation hub. |
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## MONEY MATTERS

24. Board members received an update on Finance as at the end of April 2025. The Interim Finance & Corporate Resource Director was congratulated on landing the budget at the end of March 2025.

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| <b>Decision</b> | The Board noted the Financial Report. |
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## SUBSIDY

25. The Head of Governance and Assurance attended Board and gave an update on Subsidy Compliance.
26. The Shaping SOSE for the Future Programme provided opportunity to review the internal processes and systems in place for subsidy to maximise efficiency. The legal services framework already in place would remain and SOSE would work with the subsidy department at Scottish Government and aim to bring more skills in house. SOSE would also bear in mind the risk of non-compliance with Subsidy Regime and continued to apply SOSE's risk appetite.
27. It was suggested that the new Lessons Learned Committee could look at projects for developing the Subsidy processes.

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| <b>Decision</b> | Board members were in agreement to keep the cautious approach whilst being compliant with subsidy and also being entrepreneurial. |
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## DELIVERING ON OUR FUTURE OPPORTUNITIES – Equity Investments

28. A paper had been circulated to Board members setting out an overarching approach to enable SOSE to pursue a small number of equity investment opportunities in businesses in the South of Scotland.

29. SOSE was well established as a vital provider of support and investment to the region and in implementing the Shaping SOSE for the future programme, equity investment would be added to our intervention toolbox to be able to offer the right growth funding to strategic businesses.
30. Equity investment would help SOSE continue to build relationships with partners that could deliver substantial institutional funding to create value for the region and would build the reputation of the South of Scotland as a bold, dynamic place to do business.
31. Board members were supportive of this evolution and discussion included:
  - Choosing investors where due diligence was in place.
  - SOSE would charge for fees.
  - Being a lead investor or a catalytic investor.
  - Being an anchor investor and using that to attract others.
  - Consideration of the relationship with other enterprise agencies. Not to displace Scottish Enterprise – to fill a gap where SE and SNIB had not engaged with businesses in the South of Scotland.
  - Resource, specialist ongoing functions, skills commitment – internal resource would provide the oversight.
  - Caution with small fledgling businesses and the obligation to work with them.
  - Organisation principles and values.
  - Ensuring rules but not make more red tape which would make a business less flexible and less entrepreneurial.

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| <b>Decision</b> | Board was content with the overall approach to equity investment as part of SOSE's strategic evolution. |
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#### **LUNCH AND PRESENTATION TO JEREMY SAINSBURY**

32. This meeting was Jeremy Sainsbury's last meeting as a SOSE Board member. The Chair thanked Jeremy for all the support he had given to the Board and to him personally. He thanked Jeremy for his dedicated contribution to SOSE and the Board, and he would always be a friend of SOSE and the South of Scotland.
33. Heartfelt thanks were given, and Jeremy was presented with a gift and a tree sapling.

#### **DELIVERING ON OUR FUTURE OPPORTUNITIES – CCUS The Carbon Removers**

34. The representative from The Carbon Removers Limited joined the SOSE Board meeting to update on the new name of the company: "The Carbon Removers" and also to inform of the new technology to capture, utilise, store and monetise biogenic CO<sub>2</sub>. The Dry Ice Project was based at Crocketford where CO<sub>2</sub> was captured and turned into dry ice. The Carbon Capture Project was at Invergordon Distillery where biogenic CO<sub>2</sub> was turned into building materials. The company had a unique carbon removal value chain: to capture, transport, store and convert gross CO<sub>2</sub> tons into verified net carbon removal credits.
35. They informed of specific projects in the pipeline for the next five years and he gave thanks for the support of SOSE in the past and hopefully for the future.
36. Board members were delighted with the success story and there was discussion around the big risk of managing the huge growth and not to overstretch financially. Cash flow was a challenge with 6-month lead time between cash/revenue. There was further discussion around help with investment, cash flow, equity investment and leveraging of contracts to boost cash flow.
37. SOSE could help seeking the skillset required to encourage enthusiastic local young people by working with an education centre and colleges.
38. They were thanked for attending the Board and for their enthusiasm. It was wonderful five years on to see how the company had grown as well as SOSE had grown, and Board members wished them more and more success going forward.

## **SCOTLANDS NATURAL CAPITAL INNOVATION ZONE – An Economic Opportunity for the south of Scotland**

39. The Head of Natural Capital provided a presentation on the Natural Capital Innovation Zone, its underlying principles, impacts and programme outcomes in the South of Scotland. It was the South of Scotland's unique selling point (USP) and messaging and marketing was critical. Dialogue had begun with British Standards Institution (BSI) on a standard for natural capital for organisations. There were big investment opportunities in the South of Scotland.
40. Board members raised questions and had discussion around:
- The measurement of the wellbeing economy.
  - The rationalisation of carbon credit.
  - The use of the GIS platform to map data and information.
  - Soil and the incentivisation to farmers to generate a sustainable system.
  - Many organisations other than SOSE were capable of entering biodiversity projects so SOSE should assume this was happening and to have a watching brief so as not to spend too much resource on them.
  - SOSE's role was as economic driver and thought should be given to monetarisation.
  - SOSE should help to move thinking along and look at wider marketability of investment and good news stories.

## **DELIVERING ON OUR FUTURE OPPORTUNITIES – Hydrogen and Clean Power**

41. This item was postponed to the next Board meeting on 03 July 2025.

## **YOUTH ADVISORY FORUM UPDATE**

42. SOSE's Youth and Employability Manager attended Board to update on the Youth Advisory Forum (YAF) activity. Update was provided on each member of the forum, their different roles and their engagement.
43. The Youth Advisory Forum provided useful information to help shape SOSE's response to the National Parks response and their input would be gained for corporate plans and key topics.
44. A structure to ensure regular reporting and input from the YAF would be more formalised.
45. Thanks were given to the Youth and Employability Manager for her work in developing young people in our community to become leaders of the future.

## **EQUALITY MAINSTREAMING – PROGRESS AND ACHIEVEMENTS**

46. The Interim Director of Finance and Corporate Resources provided an update report on Equality Mainstreaming and SOSE's continued journey, showing the improvements that were being made, the standards being set and our aspirations for SOSE and the South of Scotland.
47. The report was highly detailed, and congratulations and thanks were given to the Fair Work and Equalities Manager.

## **HEALTH AND SAFETY REPORT**

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

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| <b>Decision</b> | The Board noted the Health and Safety Report. |
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## **MAKING A DIFFERENCE**

49. The Head of Economic Infrastructure attended to provide a presentation on the Mountain Bike Innovation Centre and the future of innovation at Caerlee Mill. New building planning application was submitted in May, and an indicative timeline was provided for demolition and new build. SOSE had been working with experienced, high quality professionals and had engaged proactively with stakeholders. Community engagement had been regular and had resulted in high level of support.
50. Board members thanked the Head of Economic Infrastructure for the slides illustrating the process and were positive about progress. It was commented there may be a need to better inform that this building was about creating innovation in Innerleithen and it was not just about the bike sector.
51. Process had begun to engage with potential tenants. Napier University would have laboratory space. The inside was flexible and can be kitted out as seen fit. Funding was ear-marked for internal work. There was space for portacabin style buildings, the engine shed would be offered to the community and the boiler house would be available to a future tenant.
52. A short update was provided on the Bike Park and board members were informed that there may be a potential purchase of the farm to create an adventure park.

### **A.O.B.**

53. The length and quality of Board papers were briefly discussed, and colleagues would discuss the improvement of papers.
54. The Short Life Working Group was to discuss SOSE's use of the term "value" – whether it was value led rather than intelligence led or whether it was intelligence led and value driven.

### **PAPERS FOR INFORMATION**

55. The undernoted papers were provided for information:
  - Minute of ARC 27 November 2024
  - Minute of POD Committee 30 October 2024
  - Forward plan

### **DATE OF NEXT MEETINGS**

56. 03 July 2025 venue Old School Thornhill