

APPROVED PUBLIC MINUTE OF MEETING

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

SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING

06 JUNE 2024

CARMONT HOUSE, THE CRICHTON, BANKEND ROAD, DUMFRIES DG1 4TA

<p>Board Russel Griggs OBE (Chair) Alistair Cameron Rory Christie Helen Forsyth Emma Guy Kirsten Hannay (via MS Teams) Jane Morrison-Ross, Chief Executive Paul Winstanley Zoe Greenfield (Board apprentice)</p> <p>Board Apologies Viv Cockburn Duncan McConchie Jeremy Sainsbury Mary Thomson</p> <p>SOSE Senior Leadership Team Anthony Daye, Interim Director of Place and Enterprise Karen Jackson, Director of Strategy, Partnership and Engagement Martin Valenti, Director of Net Zero, Nature and Entrepreneurship</p> <p>Scottish Government Scottish Government Officials – Regional Economic Development Division</p>	<p>SOSE Staff via MS Teams Phil McCreadie, Head of Enterprise and Business Alex Stewart, Head of Performance Measurement and Pipelines Paul Wheelhouse, Head of Energy Transition</p> <p>SOSE Staff in person Jayne Ashley, Head of Natural Capital Lynne Kirkwood, Head of Performance Measurement and Pipelines Garry Legg, Head of Strategy, Planning and Partnership Nicola McArthur, Head of Finance Services Yvette Samuels, Executive Assistant to Interim Director of Finance and Corporate Relations Fiona Sköller, Corporate Support Administrator Heather Unsworth, Executive Assistant to Director of Strategy, Partnership and Engagement Campbell Young, Business Development Specialist</p>
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WELCOME AND APOLOGIES

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

The meeting was declared quorate.

DECLARATIONS OF INTEREST

2. There were no declarations of interest.

MINUTE OF PREVIOUS MEETING AND ACTION LOG

3. The Minute of the Board meeting held on 21 March 2024 was approved with the following minor amendment: -

*Paragraph 12 to be updated to read "Board members queried transacting SOSE business on **non-SOSE devices** and the risk that should be considered"*

The Minute of the Ad Hoc Board meeting on 22 May 2024 was approved with the following minor amendment: -

*Paragraph under Further discussion to be updated to read "There were indicative operational costs that could be refreshed, **and it was noted that consideration should be given to the operational structure to ensure flexibility going forward.**"*

4. The Action Log was noted.

Decision	The Minute of the meeting held on 21 March 2024 was approved with one minor amendment. The Minute of the Ad Hoc Board meeting on 22 May 2024 was approved with one minor amendment.
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CHAIR'S REPORT

5. The Chair updated Board members on the following: -

- A short introductory meeting had been scheduled with Deputy First Minister on 26 June.
- The launch of the Housing Action Plan had been delayed due to pre-election restrictions.
 - The Housing Action Group met on 5 June and agreed what needed to be done for launch in early August when the First Minister should be available.
 - The Chair had written to the First Minister to update him on progress.
 - The action plan would go to the Regional Economic Partnership (REP) on 14 June.
 - The Chair noted the outstanding work Garry Legg and Isobel Conway had done around pulling this together.
 - Owners had been agreed for each of the actions within the plan.
 - Consideration of collaborative resource funding to employ someone to take the action plan forward, having noted that it may not need to be full-time.

The following points were noted in discussion: -

- It was queried if there were ways in which SOSE could help small SME builders in becoming more collegiate and helping them to work together to bid for some of the larger projects. It was noted that there was a real willingness for collaboration between developers / construction companies across the region and recognition that a developer / construction forum may be the beginning of the process of enabling co-operatives to form and co-operate.
- The Chair highlighted that Community Benefit was moving forward with the Director for Business and Better Regulation at Scottish Government (SG) now engaged, having recognised the importance in helping communities to get the right amount of money and how to use it better.

- The Chair confirmed that in relation to the battery company project, the 5 Registered Social Landlords (RSLs) had agreed to take 4 batteries each. Funding had been agreed for the pilot on the back of the Business Case. This project was an example of the invisible work that had taken place over the last 2.5 years.

CHIEF EXECUTIVE'S REPORT

6. The Chief Executive up-dated Board members on the following: -

- The new streamlined SLT Board report.
- Production of the Annual Report and Accounts and Operating Plan.
- Client Visits.
- Performance Measurement.
- Upcoming SLT Strategy Day.
- SDI Strategy and Space Strategy.
- National Strategy for Economic Transformation (NSET) Refresh.

The following points were noted in discussion: -

- The Chief Executive advised that on the back of the Board Small Working Group meeting, the SLT Board report had been streamlined and noted that the Senior Leadership Team (SLT) would be happy to take any questions on the new report format.
- Recognition was given to the significant amount of internal work that had been going on regarding the production of the Annual Report and Accounts and the Operating Plan – both of which were exceptional pieces of work, well presented, readable and with great graphics / diagrams – and the effort across the team to produce these documents was highlighted.
- The Chief Executive advised she had been out with the team visiting companies such as Meducan and Mylar where the team were looking at longer term opportunities and investment opportunities and to Penninghame Estate to hear about the significant investment made by the private owner. The team were now engaged with the organisation to look at energy transition and tourism opportunities as well as looking to find ways in which SOSE could advise them rather than provide funding.
- It was noted that work was continuing on performance measurement to start to capture the less tangible, less quantifiable impact and also to quantify some of the consultancy type services performed by the team across the region with the caveat that this was not displacement because the companies would not be purchasing consultancy services at this level of the company's maturity, but would assist in getting them to a level where they would start to procure those services over the next few years.
- The Chief Executive advised that SLT had an upcoming strategy day where they would look at options going forward with a focus on streamlining SOSE's structure. An update would come to Board after the SLT discussion, input from the People and Organisational Development Committee (POD) and input from the Chair and Deputy Chair.
- It was noted that there were currently 22 'live' inward investment opportunities and out-with any that had come in via other channels i.e., through the Chair.
- The SDI Strategy had been shared with SOSE and Highlands and Islands Enterprise (HIE) and it was noted that initial feedback was provided, and the Strategy was a much more positive and collaborative document with recognition of the role both SOSE and HIE played.

- Clarity had been sought via the Sponsorship Team as to whether the Space Strategy for the South of Scotland could be launched during the pre-election period and if not a 'soft positioning' would take place. SG's Director of Economic Development offered assistance in confirming what was possible during the pre-election period if required.
- Board noted the improved reporting within the streamlined SLT Board report and requested to have an agenda slot at Board meetings for a rotational deep dive of each of the areas across the organisation.
- The Chief Executive provided an update on the NSET Refresh noting that it may be subject to further change with the appointment of the new Cabinet Secretary.

Highlights included: -

- The need to revisit NSET prioritisation and to identify gaps within the original strategy given the changes within the macro-economy and the economic landscape.
- There would be a stronger focus on economic growth, a re-energised focus on new deals for business and a green industrial strategy.
- Gaps around Housing and Childcare were identified in the original NSET priorities.
- The refresh was focused on clear, deliverable plans and driving delivery.

SOSE FUNDS 2023/24 – PROGRESS AND DELIVERY

7. SOSE's Head of Performance Measurement and Pipelines joined the meeting. Board was invited to note the paper on 2023/24 SOSE approved funding and the wide range of projects SOSE had supported across the South of Scotland.

The following points were noted in discussion: -

- It was noted that £19.4m of funding had been awarded to clients, projects and strategic activity in the South of Scotland from SOSE's 2023/24 budget allocation, with £9.2m of new funding approved to business and community enterprises. It was forecast that approximately 1700 full time equivalent (FTE) jobs would be supported, an increase from 1200 the previous year.
- The Head of Performance Measurement and Pipelines advised that this was the first-year gross additional turnover and profitability as well as entrepreneurship were captured against the primary measures and noted that one area of focus would be looking to see how SOSE's 1:1 tailored support / mentorship could be captured and measured going forward.
- It was noted that the 23/24 forecast outturn against the 15 primary measures would be included in the annual report and accounts and that this would be the baseline year against which future impact would be measured.
- Board noted the huge amount of work that had gone into capturing all the required data and queried how burdensome it was and if there were any lessons learned and were also keen to understand how the data would feed into future decision making. The Head of Performance Measurement and Pipelines advised that the work was not particularly burdensome, just more complex with SOSE being a relatively new organisation without embedded digital systems meaning a lot of the work was more manual. Recognition was given to the commitment of colleagues in capturing the required data. Performance Measurement had been linked with the Pipeline which should help with decision making in terms of prioritisation.

- Board queried how profitability was captured. The Head of Performance Measurement and Pipelines advised that a specific parameter which was included in the annual report and accounts was used.
- Board also queried, if the implementation of the MySOSE CRM system would make it easier going forward with regards to performance measurement. The Head of Performance Measurement and Pipelines commented that the Performance Measurement Framework that was in place was very strong and would continue to be built upon with supporting measures being identified which would help to fill some of the gaps.
- SG's Director of Economic Development sought clarity on whether, with regards to the sector data captured, the investment was skewed by the nature of the funding that was available. The Chief Executive commented that going forward, there was a need to look at the nuance that sat behind each of the sectors and how this was being reported noting that it was important to get a concrete baseline in place first. She added that the funds SOSE have had available have been around creative and technology led innovation, Net Zero, Natural Capital and Community Ambition rather than anything sector specific. She highlighted the opportunity across small suppliers in the region to look at innovation and how they delivered things differently.
- There was a brief discussion around how the resource input of colleagues could be included. The Chief Executive advised that early work was progressing to look at how this consultancy type service could be effectively captured, and it was suggested that perhaps it could be 'awarded' as a package of help which would then be quantifiable. Board also noted that the Performance Measurement App created may be a good exemplar for businesses across the region and that it may be worthwhile looking at how SOSE could use this as a tool for their clients.

PIPELINE DATA AND USE OF THE POWER-BI TOOL TO PRIORITISE FUTURE YEARS

8. The Head of Performance Measurement and Pipelines provided Board with an update on the positive progress in relation to Pipeline data using the Power BI tool. A paper was provided, for information.

The following points were noted in discussion: -

- It was recognised that SOSE's approach to pipeline management needed further development, to enable improved management of the immediate pipeline, and to help shape an ambitious pipeline of projects for investment in future years. The Interim Director of Place and Enterprise noted that there had been work done to look at how decisions are made within SOSE, and the use of the pipeline would help with that now that SOSE'S funding was more constrained.
- Board recognised the important piece of work in digitising the pipeline and the use of Power BI to be able to drill down in to all the relevant data in order to help inform decisions.
- It was queried if it would be possible to have a Power BI portal for Board members. The Chief Executive advised this may not be possible due to several challenges including capacity and security but would have a look in to it. As a first step, it was suggested that a demonstration of the live Power BI portal would be useful for interested Board members.

SMALL BOARD WORKING GROUP FEEDBACK

9. The Chair advised that the small Board working group had met and had a good discussion around maturity. The group agreed several actions, including looking at how the SLT Board report could be streamlined to update Board with more high-level data focussing on the primary measures and how SOSE begin to look at how data was collected more regularly, positive feedback in relation to the good things that have been done, and how to effectively capture this data for performance reporting purposes. The group also agreed that it would be useful for Board to be made aware of any funding or indeed refusal of funding that was delegated to SLT and therefore would not need to come to Board for approval but may have reputational or other risks.

The following points were noted in discussion: -

- SG's Deputy Director of Regional and Community Economic Development highlighted the importance of drawing out the story / journey when measuring insights / impacts of the harder to quantify activities of SOSE and noted that there was something to be looked at around how SG could help support Enterprise Agencies to draw out the story / journey.
- Board felt that the approach to the work to measure the 'consultancy' type services of SOSE in financial terms mentioned in the Chief Executive's update was a good way of capturing but agreed it was important not to focus on the financial impact only and look at ways the outcome of that support could be measured.
- Board agreed that the small working group was an interesting mechanism for driving change and that it would be worth-while having the group meet on a 6-monthly basis with varying membership and noted that just getting together and capturing ideas would be beneficial.
- There was a brief discussion around how SOSE could show value for money in relation to staff numbers. The Chief Executive advised there was an ongoing journey looking at lean processes and headcount noting that staff were a key part of SOSE's deliverables, and the challenge was context and how this was presented. The Interim Director of Place and Enterprise added that it was important a way was found to show the impact of funding awards and staff value against outcomes.
- There was concern raised in relation to the change in SOSE being seen as primarily a funding agency to moving to a development agency and whether staff had the right skills / knowledge. The Chief Executive advised that as a development agency, staff were used as an asset to deliver objectives and a reduction in staff would mean a reduction in the support / assistance that could be provided. Board agreed that staff and their skills were SOSE's unique selling point (USP) and it was important to find a way for people to understand that more fully.

FUNDING APPLICATION

10. 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.

Kirsten Hannay left the meeting.

FORESTRY UPDATE - REGIONAL LAND USE PARTNERSHIP (RLUP) AND REGIONAL LAND USE FRAMEWORK (RLUF)

11. SOSE's Head of Natural Capital joined the meeting. A paper was provided, for information, to update Board on developments in the South of Scotland's Regional Land Use Partnership (RLUP) and Framework (RLUF) and their roles in the delivery of the Natural Capital Innovation Zone (NCIZ).

The following points were noted in discussion: -

- The Head of Natural Capital highlighted that the South of Scotland pilot was the only one to embed its delivery within the Regional Economic Partnership and this successful approach had resulted in it being the preferred governance option by SG.
- A strategic meeting with SG had taken place to look at how to turn the pilot into a national initiative.
- Board recognised that now was the difficult part with governance, the key aspect within a tremendously diverse area and noted that real collaboration between partners was needed to deliver successfully.
- The Director of Net Zero, Nature and Entrepreneurship passed on his thanks to the Head of Natural Capital and also to the Strategy Manager – Natural Resources, for all their hard work and Board noted a collective 'well done'.

FINANCE UPDATE REPORT

12. The Head of Finance Services, deputising for the Interim Director of Finance and Corporate Resources, introduced the Finance report that had been circulated as part of the meeting papers.

Decision	Board noted and approved the May 2024 YTD Finance update report.
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PEOPLE – STAFFING AND SKILLS

13. A paper was provided, for information, to update Board on the current SOSE organisational structure, and had highlighted each Directorate's profile and general remit.

The following points were noted in discussion: -

- The Interim Director of Place and Enterprise advised that over the course of the year, the Audit and Risk Committee (ARC) had performed deep dives into the efficacy of each of the Directorates, having looked at what was being done on a daily basis to add value, links to the 6 A's within NSET and to identify gaps to ensure SOSE was taking a proactive approach to delivering strategic aims.

HEALTH AND SAFETY ANNUAL REPORT 2023/24

14. A paper was provided to Board with oversight on the management of Health and Safety (H&S) matters in SOSE in the period April 2023 – March 2024. Board was asked to approve the content of the annual H&S report.

The following points were noted in discussion: -

- The Head of Finance Services advised that there had been no significant H&S incidents during the reporting period, with only minor incidents such as slips/trips and some driving issues reported. Incidents were attended to appropriately and with the necessary actions completed.
- It was noted that surveys were carried out in SOSE owned properties as well as in rental properties in relation to Reinforced Autoclaved Aerated Concrete (RAAC). The report confirmed no evidence of RAAC had been found.
- It was noted that it may be useful to split H&S and Business Continuity Planning (BCP) updates into 2 separate reports.

Decision	Board approved the 2023/24 Annual Health and Safety Report.
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DRAFT OPERATING PLAN

15. SOSE's Head of Strategy, Planning and Partnership joined the meeting to seek endorsement from Board on the content of the draft Operating Plan for 24/25, which was circulated as part of the meeting papers and for agreement to proceed with next steps as outlined.

The following points were noted in discussion: -

- There was a query whether the Operating Plan for this current year should have been finalised in Q4 of last year. The Director of Strategy, Partnership and Engagement advised that this would be normal practice and work on the plan had started well before Q4, however, capacity challenges along with other priorities dictating had led to a slight delay into Q1 in finalising the plan. It was noted that the intention would be to publish the Operating Plan as early as possible into the year each year.
- The Head of Strategy, Planning and Partnership noted the extensive staff engagement, input from Board, feedback from the SOSE Summer Tour in 2023, ongoing regional work and direction from the draft Strategic Guidance Letter in preparing this year's Operating Plan.
- In terms of next steps, final refinement of the draft document would be complete by the end of this week with finalisation of design work and proofing week beginning 10 June (sharing with Scottish Government for ministerial awareness). A 'low-key' launch of the plan would take place week beginning 17 June. This would be published on SOSE's website – an appropriate approach to pre-election restrictions.
- It was queried whether a link to outturn position for that year should be included in each year's annual Operating Plan. The Director of Strategy, Partnership and Engagement advised that the outturn position is part of the Annual Report and Accounts.
- In relation to key activity across the 6A primary measures within the plan and last year's recommendation from auditors around setting targets for these, clarity was sought on how to track delivery of these to Board. The Director of Strategy, Partnership and Engagement advised that again this would be something that would be picked up in the Annual Report and Accounts and SOSE would need to look at how the two documents link together. The Interim Director of Place and Enterprise highlighted that as this was the baseline year for performance measures, targets could be included in next year's Operating Plan which would overall be a decision for Board.
- The Director of Strategy, Partnership and Engagement highlighted the significant amount of work Head of Strategy, Planning and Partnership and the Strategy Executive had put into producing the Operating Plan and noted her thanks.

Decision	Board endorsed the content of the draft Operating Plan and agreed to proceed with the next steps as outlined.
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YOUTH ADVISORY FORUM

16. The Youth Advisory Forum (YAF) Board Champion provided feedback on the session held between the YAF and Board members at Moat Brae on 02 April 2024.

The following points were noted in discussion: -

- It was noted that the forum was keen to continue engagement with the Board and would welcome the opportunity from Board to seek the forum's views on some operational matters. The Director of Strategy, Partnership and Engagement gave Board reassurance that this was already happening, with different topics having been taken to the forum as well as some budget to enable them to influence funding decisions.
- The YAF Board Champion advised that currently there was no representation from young people in the Scottish Borders on the forum and moving forward she would be working with, the Youth and Employability Manager to try and strengthen that aspect, noting the great opportunity of having young people involved in helping to deliver projects like the Mountain Bike project.
- There was an informal ask from the Chair to find a light touch way of sharing what the Board do and the capture of issues being discussed by Board and sharing these with the forum, recognising confidentiality.
- There was a discussion around the importance of nurturing future leaders with recognition of the passionate and committed YAF members. Board agreed the importance of attracting young people from all walks of life, creating networks and bringing them together using the power of the YAF.
- Board highlighted the great work the Youth and Employability Manager was doing in supporting the forum.

DRAFT BOARD ANNUAL REPORT 2023/24

17. A paper was provided summarising activity undertaken by Board during the period 1 April 2023 to 31 March 2024. Board was asked to approve the annual report.

The following points were noted in discussion: -

- A Board member queried whether their record of attendance at the ad hoc meetings was correct. The Chair advised that the meeting secretariat would check, confirm and update the attendance record in the report if required.

Decision	Board approved the Annual Report for 2023/24.
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A.O.B.

18. There were no other matters.

PAPERS FOR INFORMATION

19. Board members noted the below papers which had been provided: -
- Board Forward Plan 2024
 - Minute of People and Organisational Development Committee – 7 December 2023
 - Annual Reports 23-24

Approved at Board on 22.08.24

- Audit and Risk Committee
- Economics Committee
- Just Transition Committee
- People and Organisational Development Committee

DATE OF NEXT MEETING

20. Thursday 22 August 2024 – SOSE Board – Venue TBC