



## APPROVED MINUTE OF MEETING

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

## SOUTH OF SCOTLAND ENTERPRISE – BOARD MEETING

08 JUNE 2023

BUCCLEUCH CENTRE, LANGHOLM

<p><b>Board</b> Professor Russel Griggs OBE (Chair) Viv Cockburn Helen Forsyth Emma Guy Kirsten Hannay Jane Morrison-Ross, Chief Executive Duncan McConchie Lindsay McDowall Paul Winstanley</p> <p><b>Board members attending via MS Teams</b> Alistair Cameron Jeremy Sainsbury</p> <p><b>SOSE Senior Leadership Team</b> Anthony Daye, Director of Finance and Corporate Resources Karen Jackson, Director of Strategy, Partnerships and Engagement Bryan McGrath, Director of Place and Enterprise</p> <p><b>Apologies Board Members:</b> Professor Sara Carter</p> <p><b>Apologies:</b> Dr Martin Valenti, Director of Net Zero, Nature and Entrepreneurship</p>	<p><b>Scottish Government</b> Scottish Government Officials – Regional Economic Development Division</p> <p><b>Corporate Office</b> Jane Malloch, Executive Assistant Linsey McGillivray, Board Secretariat Fiona Sköller, Corporate Support Administrator</p> <p><b>SOSE Attendees (via MS Teams)</b> Kate Musgrave, Head of Enterprising Communities Andrew Nicholson, Economic Infrastructure Development Project Manager James Pattison, Community Development Advisor Claire Renton, Head of Economic Infrastructure Ed Shoote, Economic Infrastructure Development Specialist</p> <p><b>SOSE Attendee in person</b> Imogen Heard, Digital Media Officer</p> <p><b>Guests attendance in person</b> Representative from Langholm Community Initiative Representative from Tarras Valley Nature Reserve</p>
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### WELCOME AND APOLOGIES

1. The Chair welcomed Board members and colleagues to the meeting. Apologies were noted as above. The meeting was declared as quorate.

### BOARD INTERNAL MATTERS

2. This item was discussed in private with Board members and Senior Leadership Team (SLT). The note of previous internal matters discussed on 30.03.2023 was approved.

## DECLARATIONS OF INTEREST

3. Jeremy Sainsbury declared interest in the Biosphere - an option was for Biosphere to use space in the Greenhouse building of Natural Power just outside Dalry. Jeremy advised he was a Board Director of Natural Power and Adviser to the Olsen family and advised on work on their estate. It was noted that the interest did not represent a conflict.

## MINUTE OF PREVIOUS MEETINGS AND ACTION LOG

4. The minute of the full Board meeting on 30 March 2023 and the minute of the Ad hoc meeting held on 27 April 2023 were approved. Progress could now move forward on the Mountain Bike Project – Adventure Bike Park Proposal which had been formally approved.
5. There were no comments on the action log.

<b>Decision:</b>	The minutes of 30.03.23 and 27.04.23 meetings were approved by Board. The action log was noted.
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## CHAIR'S REPORT

6. The Chair's update included:
  - The SOSE All Summer Staff Conference which was a successful day.
  - The new Permanent Secretary visited the South of Scotland and it was a positive meeting. The transcript of the vlog recorded during the visit was shared with SOSE staff and would be circulated to Board members.
  - The Chair and Chief Executive were to start a new Engagement Tour next week (beginning 12 June) to talk about SOSE's priorities in its five-year plan and the Regional Economic Partnership's focus on the three big issues (housing, transport and skills) impacting on our economy.
  - Discussions had taken place on Community Benefit and a report on windfarm community benefit. A meeting would take place with Councils at the end of July and a final version of the report would be shared with Board members.
  - The Independent Review of the Skills Delivery Landscape report would be circulated to Board members.

## CHIEF EXECUTIVE'S REPORT

7. The Chief Executive update noted:
  - Feedback on the new structure had been positive. Leadership development across the organisation was bold and inclusive.
  - Work had taken place on housing, the People Strategy and MySOSE.
  - Budgets – the pipeline was well developed and there were concerns around contingency in the current economic climate.
  - The Independent Review of the Skills Delivery Landscape report provided opportunity for SOSE to align work with Business Gateway with workforce development. SOSE

- continued to move forward processes with Business Gateway in Dumfries and Galloway.
- Infrastructure – contingency was being looked at as EIS provide shared services, including payroll, to all agencies.
  - All Staff Summer Conference- formal thanks were given to the Marketing and Communications team. Feedback had been positive and the capture on the values session provided good insight and ideas to weave into the People Strategy.
  - The Permanent Secretary visit was very positive.
  - On 21 June a representative from Rice Space Institute would be in Dumfries for a small roundtable to look at the potential gaps in the national space strategy supply chain.
8. Board members discussed current challenges and sought a sense of how serious the loss of businesses was in the South of Scotland (insights of sectors and trends) and what could be done to help. It was agreed to share with Board members a paper which had been to the Just Transition Committee giving an overview of statistical analysis and evidence gathered.
9. Board members asked about how progress in delivery actions in the approved Action Plan could be reported to the Board, with a link to the Senior Leadership Update. SLT would give further thought on how best to provide that reporting link.
10. Board members asked how SOSE responded to Scottish Government requests to take on additional areas of activity which had resource implications for SOSE. The Chief Executive explained that, through regular dialogue, implications were discussed with Scottish Government as well as continuously reviewing SOSE priorities. Many of the areas of activity (eg housing and transport) were key to the economic success of the region and important for SOSE to facilitate and work with partners to progress. This work was at an early stage and SOSE was engaged with Scottish Government and would make appropriate requests if required. As Scottish Government worked to implement the recommendations of the review of the skills delivery landscape, SOSE would be involved, including identifying additional resource required. The relationship SOSE had with the Sponsor Team, the Director of Economy and Director General was positive, open and transparent.
11. The dashboard was discussed:
- Business Gateway Borders – this was progressing well and had seen increase. Both Business Gateways (including Dumfries & Galloway) would come under separate contracts and would each have tailored deliverables and objectives. There was an idea to have South of Scotland Business Gateway services to leverage resource across both regions.
  - Social media impressions – it was noted there was an uplift on hits around the road shows and spikes around Women in Enterprise events. It was expected to see similar uplift around the upcoming tour.
  - Rural visa pilot – Scottish Government were looking at a non-visa rural attraction pilot given the UK Government were not supportive of the rural visa pilot and immigration was an issue reserved to the UK Government. Work was underway on developing a talent attraction retention service with the ambition to launch later in 2023. Progress would be shared with the Board going forward.

## UPDATE ON SOSE STRUCTURE

12. Board members had received an update paper on SOSE structure.

## SOSE'S CULTURAL JOURNEY

13. A staff survey had taken place. SOSE needed to build a culture that was remarkably different to the other enterprise agencies and wanted to be a more caring-focused organisation and promote Fair Work. A cross functional collaboration group had been created and the People and Organisational Development Committee would continue to look with rigour and ideas on people engagement and the exploration of issues for the coming years.
14. In response to the survey in in line with SOSE's focus on staff wellbeing and strategic ambitions, the following were implemented:
  - Action Plan setting out SOSE's longer term ambition and focus (and Operating Plan and workplans) – responded to colleagues' asks for clear direction to make them feel confident and focussed.
  - Leadership Training and development for the organisation – SLT had completed and Management cohorts now ongoing – to provide a consistent way of working throughout the organisation to build SOSE's culture of everyday leaders, and to work to develop leaders of the future and succession planning.
  - Place and Enterprise Improvement Program which involved further face to face consultation with all P&E staff in more depth and the appointment of a change lead to help support people through the change cycle and in response to staff input.
  - Reinvigorated Grade G (senior managers as leaders) meeting – creating the vehicle for empowerment in SOSE's DNA day to day and to give Grade G's more opportunity to inform strategy and give great creative input.
  - System improvements to improve people's jobs – MYSOSE major programme and minor ones to give staff tools they need to do their jobs more easily.
  - Opportunity was taken to improve and streamline the client Journey, making e2e process for staff easier to understand and shorter and easier for clients.
  - SOSE Induction (SOSE DNA) – colleagues were given clear working parameters to create a really clear culture of collaboration, all staff at every grade have now completed this and have a shared understanding.
  - Office improvements – making the office a place for relationship building and not transactional like what has been seen on MS Teams during COVID – there are rooms, pods, and desks to mix and match for effective working.
  - Overall and most importantly the launch of the People Strategy is close – made possible with HR colleagues, now seen as Trusted Business Partners.
15. The four-day week pilot had been discussed at the People and Organisational Development Committee and Scottish Government had been informed that SOSE would like to participate in the pilot. SOSE would still operate 5 days a week, colleagues would reduce their hours from 35 to 32 (an 8.5% reduction) and it would be softly launched in August/September 2023. The pilot would be evaluated through staff feedback, staff wellbeing, delivery, productivity and absence levels and evidence would be examined for permanent decision in September 2024. Board members were assured it would be a pilot and staff terms and conditions were not being altered.

## FINANCE UPDATE REPORT

16. The Director of Finance and Corporate Resources informed of spend and new processes in place in terms of pipeline. SOSE was slightly over committed in a planned way to push

hard on budgets this year and in future years. Inroads had been made on savings but this continued to be monitored with Scottish Government throughout the year. It was proving challenging as there was not a lot of flexibility.

17. Discussion took place with the Head of Regional Economic Development on the excellent communication over this difficult time. SOSE was keeping Scottish Government apprised of the proactive use of land and service sites and getting buildings on to that land. The Head of Regional Economic Development was understanding of the pressures.
18. There was discussion around the length and number of papers for Committees and Board. All Board members were happy with the present method of issuing of papers and the level of detail contained in them. Consideration was to be given in future to not holding Committee meetings in the same week as the Board except for the Audit and Risk Committee where it was to be considered to hold on a consecutive day to a Board meeting to avoid more travel for members.

## EQUALITIES UPDATE

19. There was no discussion or questions raised on Equalities Update.

## BOARD ANNUAL REPORT 2022-23

<b>Decision:</b>	The Board annual report informing of the activities of the Board over the previous year was circulated and approved.
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## HEALTH & SAFETY REPORT

20. The Board noted the Health and Safety report which had been circulated.

## ANY OTHER BUSINESS

21. There was no other business.

## LANGHOLM COMMUNITY INITIATIVE

22. The Chair welcomed the Trustee from The Langholm Initiative and the Development Manager of Tarras Valley Nature Reserve (sponsored by SOSE).
23. An overview and flavour of Langholm Initiative from a community perspective was given and Board members were also informed of the flagship project, Tarras Valley Nature Reserve and its development of a five-year action plan.
24. Board members congratulated the Langholm Initiative and Tarras Valley Nature Reserve on their ambition and their exceptional achievements to date. Discussion was around future funding, commercial timber felling, peat restoration, property rental and subsidies and potential redevelopment of farm steadings. Concerns were raised around the sustainability of the project, developing more visitors, overnight accommodation and environmental impacts. It was commented that leveraging the experience of those on SOSE Board would benefit.
25. Both guests were thanked for their time and the Board were delighted to hear the excellent progress that had been made. It was hoped that the Head of Enterprising

Communities would visit in August along with the new Head of Land and Forestry and the Circular Economy Adviser.

## BIOSPHERE BUILDING UPDATE

26. The Board discussed the paper updating it on progress with the detail of the work that had been carried out to scope the new Galloway and Southern Ayrshire Biosphere (GSAB) HQ centre. The Board had agreed in March 2021 that this detailed work was important to inform any future decision.
27. GSAB had taken forward that further work for design which had led to a building proposal on a potential site, the cost of which was nearly threefold originally envisaged. SOSE was providing support on a resource basis to help GSAB scope the building it needed. It was considered a good time to look at the scale of involvement that SOSE would want to have.
28. Thanks were given to the Head of Economic Infrastructure and the Economic Infrastructure Development Project Manager.

<b>Decision:</b>	Board members were in agreement for the Chair and Chief Executive to discuss alternatives with Biosphere
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## MOUNTAIN BIKE PROJECT - INNOVATION CENTRE

29. A paper was circulated to Board members providing an update on the progress of the design and development of the construction element of the Mountain Bike Innovation Centre at Innerleithen.

## FAIR WORK CONDITIONALITY IN PUBLIC SECTOR GRANTS

30. The Director of Strategy, Partnership and Engagement spoke to the paper updating the Board on the introduction of Fair Work conditionality on the payment of SOSE grants from 1 July 2023. This would require organisations to pay the real Living Wage (rLW) – including to apprentices and young workers (16 to 18) and demonstrate effective voice before being able to access grant funding support. SOSE had been in discussion with Scottish Government to understand the detail of the implementation and had highlighted a number of areas of what felt like unintended consequences.
31. SOSE's Just Transition Committee had reflected on the implications of conditionality and suggested that the full Board would want to consider those. The most significant area of concern was around the impact on young people, apprentices and training workforces for the future. Highlands and Islands Enterprise, Scottish Enterprise and Skills Development Scotland have similar concerns. SOSE remained strongly committed to supporting the delivery of Fair Work across the region but remained concerned about the implications for young workers. Work was in hand to deliver on conditionality and the evidence requirements.
32. The Board agreed to make representation to the Scottish Government and reflected on the concerns.
33. The Head of Economic Development, Scottish Government advised that as far as they were aware the Fair Work and Conditionality applied to every Scottish Government grant –

Approved at Board on 17.08.23

although it would not be applied until 2024. A check would be done. In making representations, it would be helpful to suggest alternative approaches.

## PAPERS FOR INFORMATION

34. The undernoted papers were provided to Board members for information:

### Annual Reports 2022-2023

- Economics Committee Annual Report 22-23
- Just Transition Committee Annual Report 22-23
- People and Organisational Committee Annual Report 22-23
- Audit and Risk Committee Annual Report 22-23

### Recent Approved Committee Minutes

- Minute of Economics Committee 03.11.22
- Minute of Just Transition Committee 17.11.22
- Minute of POD Committee on 08.03.23
- Forward Plan 2023

## DATE OF NEXT MEETING

35. The next full Board meeting would be held on 17 August 2023 at Jas P Wilson, Dalbeattie. (Cabinet Secretary for Wellbeing Economy, Fair Work and Energy would be attending.)