

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

30 MARCH 2023

FLOORS CASTLE, KELSO

<p>Board Professor Russel Griggs OBE (Chair) Alistair Cameron Professor Sara Carter Viv Cockburn Helen Forsyth Emma Guy Kirsten Hannay Jane Morrison-Ross, Chief Executive (via MS Teams) Duncan McConchie Lindsay McDowall Jeremy Sainsbury Paul Winstanley</p> <p>SOSE Senior Leadership Team Anthony Daye, Director of Finance and Corporate Resources Karen Jackson, Director of Strategy, Partnerships and Engagement Bryan McGrath, Director of Place and Enterprise Dr Martin Valenti, Director of Net Zero, Nature and Entrepreneurship</p>	<p>Corporate Office Susan Canon, Corporate Governance Lead Linsey McGillivray, Board Secretariat Fiona Sköller, Corporate Support Administrator</p> <p>SOSE Attendees (via MS Teams) Isabel Conway, Strategy Manager Melissa Gunn, Youth Programme Executive Garry Legg, Head of Strategy, Planning and Partnerships Arthur Rennie, Business Development Specialist Alex Stewart, Head of Area Operations</p> <p>SOSE Attendee in person Imogen Heard, Communications</p> <p>Guests by MS Teams Scottish Government Officials – Regional Economic Development Division Representative from Home Energy Scotland Representative from Energy Action Scotland</p> <p>Guests' attendance in person Scottish Government Officials – Regional Economic Development Division Representatives from Roxburghe Estates</p>
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WELCOME AND APOLOGIES

1. The Chair welcomed Board members and colleagues to the meeting. There were no apologies, and 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 02.02.23 was approved.

DECLARATIONS OF INTEREST

3. There were no declarations of interest.

MINUTE OF PREVIOUS MEETINGS AND ACTION LOG

4. The minute of the full Board meeting on 02 February 2023 and the minute of the Ad hoc meeting held on 20 February 2023 were provided. The action tracker was discussed:

Decision:	The minute of the full Board meeting on 02.02.23 and the minute of the Ad hoc Board meeting held on 20.02.23 were approved by Board.
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CHAIR'S REPORT

5. The Chair's update included:
 - Discussion on the new set of 10 Cabinet Secretaries and 18 Ministers.
 - SSDA meeting and the quarterly meetings held by Chair and CE and their opposite numbers.
 - New UNESCO accreditation – Eddleston Water Project, River Tweed. South of Scotland – now two UNESCO sites in the South of Scotland (along with Biosphere).

CHIEF EXECUTIVE'S REPORT

6. The Chief Executive updated Board members on recent activity:
 - New Cabinet and new Ministers and the expectation for increased visit requests and meetings to be arranged.
 - Feedback on training via Monkey Puzzle had been positive.
 - Place and Enterprise restructure was nearly complete with excellent team managers now selected.
 - Work had been focussing on year-end budget and planning was underway for next year.
 - Work continues with the Regional Economic Partnership and around the Action Plan.
 - There had been progress on the regenerative agriculture process.
 - The Board were informed of the new Land and Forestry Lead. Thanks were given to the Chair of Quality Meat Scotland (ex SOSE Board member) for her valuable input to the process of recruitment to this post.
 - SOSE continued to look carefully at resourcing and planning around transport, housing and how to manage priorities and capacities.
 - SOSE also looked to focus on areas of innovation in the Space sector – there would be a roundtable on energy and sustainability with Space Scotland.
7. There was discussion on the Senior Leadership Team (SMT) Board report.

ENERGY COSTS AND CONSERVATION

8. Energy underpins everything and SOSE would work in collaboration with key partners to assist business and communities facing challenges.
9. A representative from Energy Action Scotland informed of the work of Energy Action Scotland charity which has been established for 40 years. The organisation provides

advice and support to communities and is a conduit to energy suppliers, networks to build capacity, make partnerships and to provide advice and knowledge exchange.

10. They spoke of the challenges, particularly in Dumfries and Galloway and the Scottish Borders where:
 - Over 40% of households were in fuel poverty and many households had on average a debt of £350.
 - A high rate of households with prepayment meters had not redeemed their vouchers (1 in 3).
 - 15% of houses in Dumfries and Galloway and 10% of houses in the Scottish Borders have the poorest house energy rating
 - The region has the highest levels of dampness and disrepair amongst Scottish Local Authority areas.
 - Retrofitting of homes would create jobs -this was a missed opportunity.
 - The region has huge potential to be a generation centre for renewable energy.
11. A representative from Home Energy Scotland informed the Board of the two public facing services delivered by Energy Savings Trust; Home Energy Scotland and Business Energy Scotland.
12. Home Energy Scotland provides quality advice to all home owners. 50% of customers are concerned about fuel bills and advice is provided around energy efficiency, water efficiency, transport, reducing carbon emissions and funding and finance.
13. Business Energy Scotland programmes are funded by Scottish Government and give advice, support and access to funding to implement energy efficiency. Businesses can access £100,000 interest free (8-year repayment) Scottish Government SME Loan scheme funding for energy efficiency and renewables.
14. Energy efficiency assessments are carried out by advisors and framework consultants.
15. Home Energy Scotland advised they offer light touch training on EST resources on their website and could provide webinars and staff engagement too.
16. Further discussion was around:
 - SOSE's assistance in signposting, to leverage marketing and maximise links to national funds.
 - Skills labour, supply chains, materials and the grid capacity for new schemes.
 - Training required to undertake current standards and delivery.
 - Costs of registrations and compliance with standards.
 - Barriers to retrofitting.
 - The impact of energy costs - in particular, to young people and students who did not receive government support as they were not in receipt of benefits.
 - The inefficient delivery of support/manual vouchers.
17. Thanks were given to both attendees for an interesting discussion.

SOSE FUNDS 2022/23 – PROGRESS AND DELIVERY

18. The Director of Place and Enterprise introduced the Head of Area Operations who gave Board members a sense of the breadth of funding allocations this year and the context to better understand the difference from last year.

Discussion included:

- Multi-year allocations and to have a clear reflection on those which significantly impact the revenue line.
- To better understand the breakdown of sectors – to include a column with the population of the region to contextualise.
- The challenge of one year funding when projects take between 15-36 months to come to fruition.
- Patterns and strategic plans to spend in particular areas was discussed including childcare and energy.
- Investment in other areas like agriculture and a project in early stage in partnership with SRUC and CENSIS.
- Recording of intellectual investment was discussed. This is a recognised value and it is planned to record this in the coming financial year.

HOW WE MAKE A DIFFERENCE – YOUTH ADVISORY FORUM

19. The Director of Strategy, Partnerships and Engagement introduced the Youth Programme Executive who provided a presentation on work being undertaken by SOSE to implement a Youth Advisory Forum to strengthen SOSE’s youth engagement, hear the voice of young people and shape activity and their future economy and training opportunities.

Board members discussion:

- The Board were keen to establish a link between the Youth Advisory Forum to the Board and wished to hear of progress every 6 months or 1 year.
- Advice was given to seek student representation from governing bodies.
- To build a cohort of support for when young people come off the scheme.
- To have a balance of ages between 16-25 and also balance of neurodiversity, gender and equality

ADVANCED INNOVATIVE MANUFACTURING IN THE SOUTH OF SCOTLAND (AIMS)

20. The Board were informed of this important project which was started in the Covid crisis and helped manufacturing businesses in the South of Scotland be more innovative and test out new technologies. The Project comes to an end in the next few months and has been useful for businesses in all sectors and areas.

Discussion:

- Challenges included slowness of working with the Councils and Covid.
- SOSE had put in significant funding and should have been allowed a voice for the operational side.
- Need to involve industry via Borders Engineering Training Association and Dumfries and Galloway Training Forum.
- Need to draw in funding led by industry.
- Although successful couldn’t continue in its current form.
- Success was dependent on a good project manager.
- SOSE could contribute by assisting with marketing, raising awareness, promote supply chain initiatives.
- Councils were confident the project would be funded from July onwards for 3 years under the Shared Prosperity Fund.

21. There was no other business.

ACTION PLAN 2023-28 AND OPERATING PLAN 23-24

22. The Director of Strategy Partnerships and Engagement was joined by the Head of Strategy, Planning and Partnerships and the Strategy Manager to discuss the five-year Action Plan and the Operating Plan and sought approval. The Board thanked the Strategy, Partnerships and Engagement team for the phenomenal amount of work that had gone into producing the two documents.

Decision:	The Action Plan 2023-28 and Operating Plan 23-24 were approved by Board
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FINANCE UPDATE AND FINAL DRAFT BUDGET 2023

23. The Director of Finance and Corporate Resources provided the Board with a Finance Update noting:

- Resources and savings
- Capital
- Spring Budget Revision
- Financial transactions
- Pipeline

24. The draft Budget 2023 was discussed including:

- Resource and capital
- Capital spend and almost £40m investment in the South of Scotland. The leverage of that with partners going forward. To look at other funds to bring more money into the South of Scotland.
- Use of intellect – the provision of advice.

25. A Framework Document (outlining the framework for SOSE, as a public body, working with Scottish Government) was provided for agreement by Board members and to be signed by the Chair and the Chief Executive. Auditors were keen to have a finalised document.

Decision:	The Board noted the Financial Update
Decision:	The Board approved the draft Budget 2023
Decision:	Board members approved the Framework Document

CORPORATE RISK REGISTER AND RISK APPETITE

26. The Director of Finance and Corporate Resources provided a year end review of the Risk Register. The Board were invited to note and approve the risk appetites which were overviewed regularly by the Audit and Risk Committee.

Decision:	The Board noted the Corporate Risk Register and approved the refreshed Risk Appetite for 2023-24.
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HEALTH AND SAFETY

27. The Director of Finance and Corporate Resources provided an annual Health and Safety Report to the Board and informed of building inductions, provision of driving documents and incidents.

28. There was discussion around Health and Safety Policy, insurance, building fire risk assessment and site visit risk assessments.

Decision: The Annual Report was approved by Board
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SCOTTISH LAND AND ESTATES

29. The Chair welcomed representatives from Roxburghe Estates to the meeting to discuss issues of land ownership.

Challenges included:

- Six pillars of property, agriculture, forestry and natural capital, renewable energy, conservation and sporting, tourism – effectively SMEs each and to interact was challenging.
- Renewable energy production – investment to grid.
- Property portfolio spend challenges.
- High level of affordable houses may lead to estate owners selling properties which might push rents up in rural communities.
- Infrastructure of castle roof, boundary wall.
- Limit of geographical position and limitation of road network.

Responses to questions:

- SOSE had done 30 consultation events across RLUP. Farming was key sector to look at and also diversification. SOSE worked hard with NFUs. SOSE new appointment of Lead to Land and Forestry was highlighted.
- Roxburghe Estates had a number of farmer tenants and wished to work in partnership with them.
- Sporting activity was massively underrated in terms of economic impact it has. E.g. drop in salmon numbers affect local hotels, shops, air bnbs etc.
- Sporting activities were run by tenants as businesses.
- Re environmental audit and carbon footprint of estate – started but a long process.
- Housing – the issue of private landlords being squeezed – unintended consequence of Government policy. This was important to SOSE as SOSE was tasked by Government to look at collaboration on housing.
- Government needed to be receptive to looking at options for rural housing allocation and criteria. (Rural housing is different to towns and cities.)
- There was a need to improve transport – roads and bus systems.
- The issue around second homes.
- The chokehold of Scottish power networks.
- SOSE would maintain contact with Roxburghe Estates and continue to work on unintended consequences, assist intellectually.

PAPERS FOR INFORMATION

30. It was confirmed the undernoted papers were provided to Board members for information:

- Minute of People and Organisational Development Committee (POD) 09.11.22
- Minute of Audit and Risk Committee (ARC) 23.11.22
- Energise Gala
- Forward Plan 2023

Approved at Board on 08.06.2023

DATE OF NEXT MEETINGS

- Ad Hoc Meeting 27 April 2023
- Board Meeting 08 June 2023