



SOUTH of
SCOTLAND
ENTERPRISE



Operating Plan

2020/21

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Any word with a dotted underline will have a description of its meaning in the Glossary (Appendix E).

Foreword

We have waited a long time for the South of Scotland to have its very own Enterprise Agency, one which is bold, ambitious and delivers for the South. **That wait is finally over.**

We are here to listen to you, as we have over the past two years as we established ourselves – and to do things differently, to take risks, and to put our fabulous region on the map and showcase the South of Scotland to the world.

Without you, we simply cannot be the economic development agency by the South, for the South, and in the South and that is what we want to be. We are here to listen to you and take you with us on the incredible journey that we are embarking upon.

We will empower everyone to make the South of Scotland an even greater place to live, work, visit, learn and invest in. ‘Everyone’ means exactly that. As an individual, community, or business (of whatever size, structure or objective) – show us how you can help us to make that happen and we will work with you to achieve both our aims.

Collectively, **we will unlock the great potential** of our people and our resources and we will do it in a locally responsive way by truly bringing a fresh approach to making things happen in the South.

We will work with whoever we need to in order to provide a single and unified voice to champion our great region on the national stage.

We will highlight our key issues and make sure the South of Scotland is able to make the most of our opportunity to be in greater control of our own future.

We don't just say we're different – **we are different.**



Professor Russel Griggs OBE
Chair, South of Scotland Enterprise



Nick Halfhide
Interim Chief Executive

We are the first of Scotland's public agencies whose legislation promotes a wider view on the economy and how it impacts all we do. Jobs are important to us but so are communities and the environment. We want to make sure that everyone, no matter who and where they are, young or old, has an opportunity to fulfil their ambitions.

We are also one of the first to have 'Fair work' running through all of our activities. How we treat people matters to us and we want to ensure that this runs through our region too. We are here and able to listen first-hand to what businesses, communities, and individuals need and then respond.

Like any other start up organisation, it will take some time for us to settle in and build our capacity and capability to do all that we want to. We expect that will take us around three years, so this Operating Plan details where our efforts and resources will be focussed across the remainder of our first year (2020/21).

COVID-19 has obviously had a significant impact – lockdown started just before we officially came into being.

Our immediate focus must continue to be on supporting our businesses, communities, and individuals to recover from the wide-ranging impacts of the pandemic. We have also set out the work underway to develop our future ambitions for our region. This includes developing our Action Plan which will, following extensive consultation across the South of Scotland, define our longer-term priorities. It will guide our future focus and investments across all we have been established to do, making sure we play our part in building a fairer, greener and stronger Scotland.

We have the chance to take this opportunity with both hands and put our region on the map. Collectively our region will flourish and the future will be brighter than it ever has been.

We are FOR the South, BY the South and IN the South.

The time is now for the South of Scotland.

Professor Russel Griggs OBE
Chair, South of Scotland Enterprise

Nick Halfhide
Interim Chief Executive

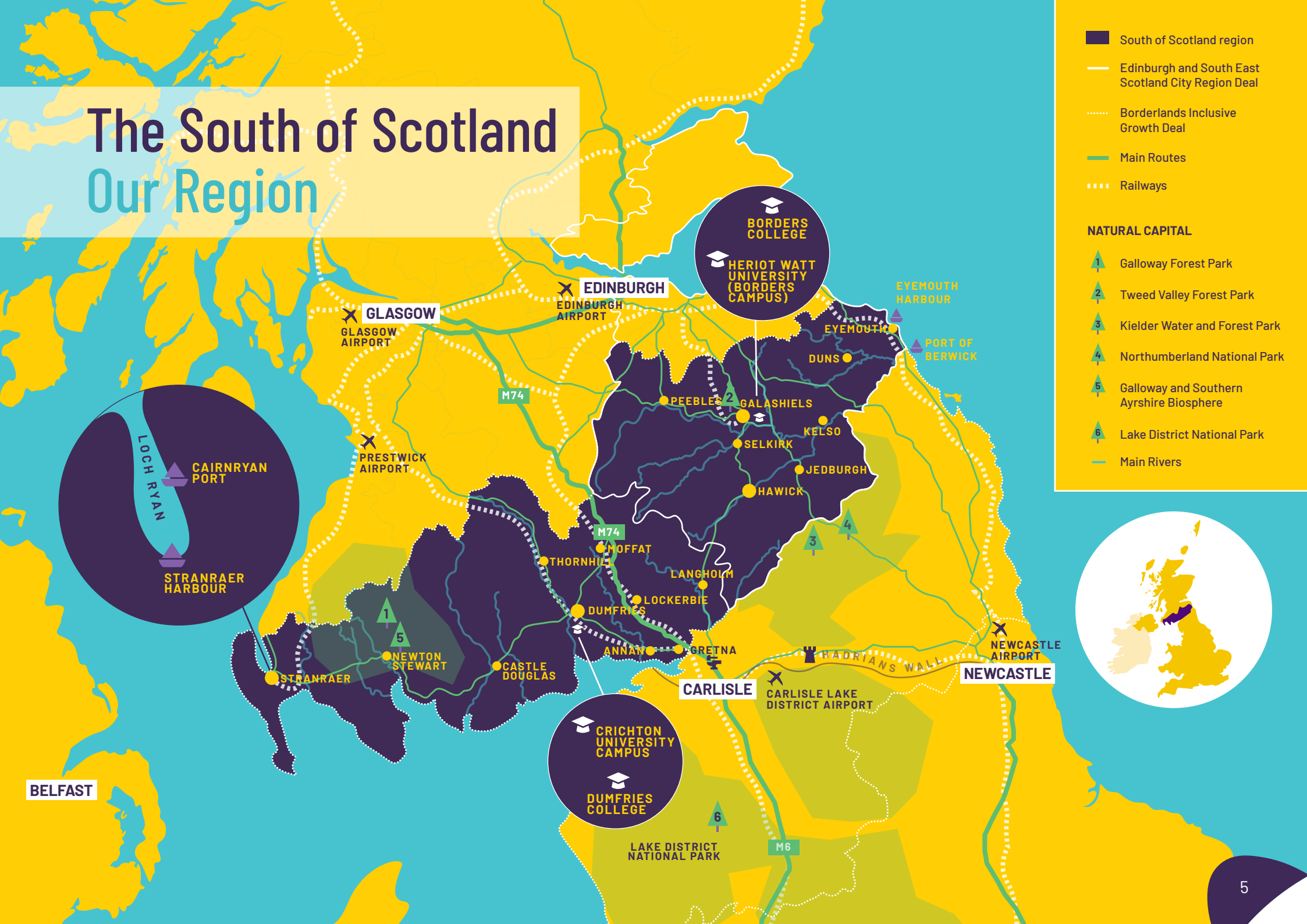
The South of Scotland

Our Region

- South of Scotland region
- Edinburgh and South East Scotland City Region Deal
- Borderlands Inclusive Growth Deal
- Main Routes
- Railways

NATURAL CAPITAL

- 1 Galloway Forest Park
- 2 Tweed Valley Forest Park
- 3 Kielder Water and Forest Park
- 4 Northumberland National Park
- 5 Galloway and Southern Ayrshire Biosphere
- 6 Lake District National Park
- Main Rivers

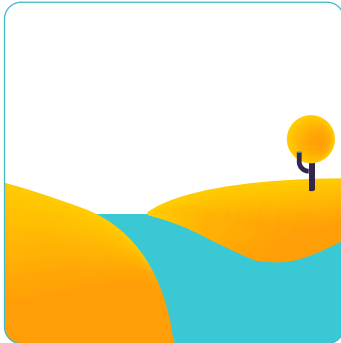


BELFAST

The South of Scotland – Key Statistics



15% of Scotland's Land Mass (11,000 km²), 250km Coast to Coast



Diverse and attractive landscape – including 1,068km Coastline



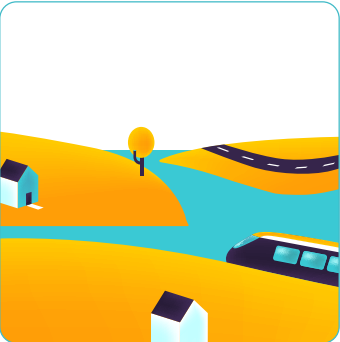
Predominately rural – only 4 towns over 10,000 people and 24 people per sqkm vs 132 per sqkm Scotland average



Home to 264,000 people – 5% of Scotland's population



133,248 dwellings



Self contained region – 86% of residents live and work in the region



More than 12,000 businesses operating, with a combined turnover of c.£10bn



91% of businesses have fewer than ten employees

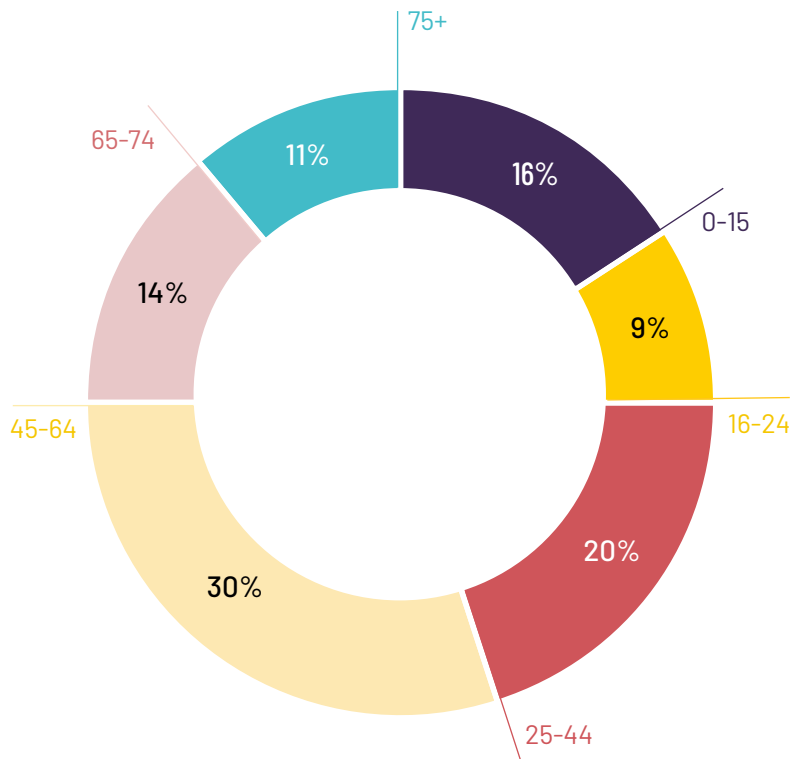


19% of those in employment are self-employed vs 12% for Scotland



Our region is central in the UK and close to key markets

South of Scotland Age Profile (Current)



Source: National Records of Scotland Area Profiles for Dumfries and Galloway and Scottish Borders, Updated April 2020.

Biggest Employers



Human Health and Social Work – 19,000 jobs, 17%
vs 15% for Scotland



Agriculture, forestry and fishing – 14,000 jobs, 12%
vs 3% for Scotland



Manufacturing – 11,000 jobs, 10%
vs 7% for Scotland



Retail Trade – 11,000 jobs, 10%
vs 9% for Scotland



Accommodation and Food – 9,000 jobs, 8%
vs 8% for Scotland

Source: Business Register and Employment Survey, Office for National Statistics. Figures rounded. Percentage represents number of jobs in sector as a percentage of total overall jobs in the region/Scotland.

CASE STUDY

Supporting the re-opening of our vital Tourism sector

The Tourism industry is essential to our economy with 4.6million annual visitors with a related spend of £609m supporting around 12,000 jobs. We have made it a priority to support communities and businesses to reopen safely to welcome visitors back to our region.

As part of that, we have been working very closely with the new South of Scotland Destination Alliance (SSDA), [VisitScotland](#), [Dumfries & Galloway Council](#) and [Scottish Borders Council](#) to develop our new community promise called 'South of Scotland – Twinned with Tourism'.

The South of Scotland Promise is on behalf of everyone who can play their part in protecting one another and local communities.

It works alongside the VisitScotland 'Good to Go' scheme, which allows businesses across all sectors of the tourism industry in Scotland to demonstrate that they are adhering to the respective government and public health guidance.

You can view the campaign at
www.ssdalliance.com/twinnedwithtourism

"Tourism, is of course, essential to our economy whilst at the same time, we acknowledge that there may be some nervousness about reopening. We have listened to this, and as such, have been delighted to support this project in order to promote how tourism connects everyone – residents, businesses and visitors."

Professor Russel Griggs OBE,
Chair, South of Scotland Enterprise



The South of Scotland – Key Opportunities and Challenges

| Key Opportunities in the South include ... | However ... |
|---|--|
| Being well placed (strategically), central within the UK, close to Newcastle and Carlisle, the Central Belt of Scotland, and Northern Ireland | We have an ageing population and many young people leaving the area |
| Innovative businesses operating across sectors | We have low productivity, as well as sectors with traditionally low wages and few higher skilled jobs |
| Substantial land and energy resources of national as well as regional interest, with significant potential to be a catalyst for green growth and green jobs | There are transport and digital connectivity issues |
| Large areas of attractive natural landscape | The area is very rural and sparsely populated |
| Vibrant communities with a rich history and cultural heritage | There are fragile communities in need of regeneration |
| High concentration of active further and higher education sectors looking for greater collaboration | There is a perception that there are little further and higher education opportunities |
| Strong entrepreneurial spirit | We have lower number of business start ups and less investment in innovation/research & development (compared to the rest of Scotland) |

New Key Strengths

Dedicated new Economic Development Agency

Track record of effective public sector partnership working – ‘Team South of Scotland’ mentality – upon which to build on

[Borderlands Inclusive Growth Deal](#)

Impact of COVID-19

The South of Scotland has already been, and is projected to continue to be, significantly and disproportionately impacted by the COVID-19 pandemic. This reflects the rurality of our region and the composition of our economy. Many of our existing challenges will be worsened, including for example the digital divide which has hampered the ability for some businesses to adapt to new ways of working.

Our business base is also heavily dominated by small and medium enterprises along with high levels of self-employment, which it is widely acknowledged will be more exposed. 53% of jobs within the South of Scotland are in sectors which are highly impacted including Tourism, Accommodation & Food Services; Non-Food Retail; Creative Industries; Manufacturing and Construction.

Some opportunities have however equally emerged. A number of the region's businesses have demonstrated their ability to rapidly innovate and grow in response to a need to increase the production of vital national supplies. With increased staycations forecast, and demand for outdoor based activities and self-catering accommodation, the South of Scotland is very well placed to appeal to a wider audience than ever before as a visitor destination.

In planning for the regions recovery it will be important that we do not simply aim to go back to how things were, but instead take the opportunity to address, with a renewed impetus, many of the deep-rooted challenges facing the South of Scotland, drawing on the creativity and innovation the response to COVID-19 has engendered.



CASE STUDY

Supporting businesses to create opportunities

We continue to work with many businesses and organisations to understand their circumstances and help provide support tailored to their needs to help enable future growth.

We worked with energy provider, **People's Energy** to bring about a welcome boost to the local economy - as they create an initial 100 new jobs over the next few months in Selkirk, with plans for further recruitment. We also welcome People's Energy joining us as new tenants of Etrick Riverside Office Space in Selkirk.

"The region has a highly talented workforce and we look forward to creating around 100 new jobs over the next eighteen months. We're especially pleased to be creating local employment during the current health and economic crisis, when so many jobs are being lost."

David Pike,
CEO of People's Energy

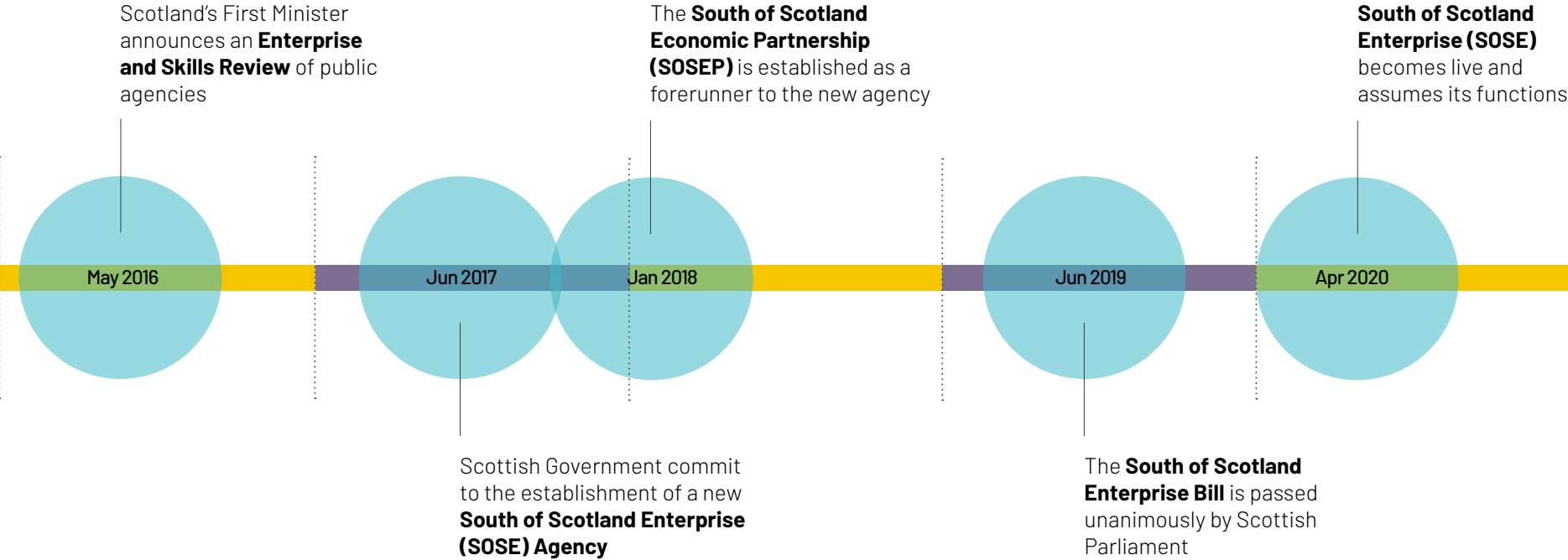


"As we start to move through the route-map out of the COVID-19 crisis, the creation of job opportunities for local people will be an invaluable contribution in rebuilding our communities and businesses."

"I'd like to offer a personal welcome to People's Energy and we look forward to working closely within the coming months and years."

Professor Russel Griggs OBE,
Chair of South of Scotland Enterprise

How we got to be here



The Enterprise and Skills Review:

- recognised a need to do things differently in the South of Scotland and recommended the creation of a new public body to bring a fresh approach, with a clear focus on place

The South of Scotland Economic Partnership:

- attended over 200 town hall meetings and consultation events, listening directly to the needs and desires of the region's businesses and communities
- directly supported 56 local business and community projects

The SOSE Act says we:

- have to set-up a workers' interest committee to advise us on what we should be doing to advance the interests of workers (in the South of Scotland)
- must promote fair work

CASE STUDY

Supporting our communities

Local communities are at the heart of our region - they are the lifeblood of our towns, villages and our economy.

Now more than ever it is vital that we support our communities as we recover from the economic impacts of the coronavirus pandemic, restart our economy and continue to invest in their future.

In recent months we have seen a strong community spirit shine through across Dumfries and Galloway and the Borders and we will look to build upon this for the future of our economy and our society.

In July, the next round of projects to receive funding from Scottish Government through the South of Scotland Economic Partnership (S0SEP) were announced.

This saw £2.1m being announced to benefit 28 projects which we will continue to work with.

Better Lives Partnership

One of the projects to benefit from the funding was Castle Douglas-based Better Lives Partnership who received £275,000 to increase its Bridge2Employment programme which helps young people with autistic spectrum disorder (ASD) to access supported learning opportunities and progress into work or further study.

Bridge to Employment was launched in 2017 to help young people into further education, training and work. Since then it has helped 27 people in Castle Douglas, with a further 13 people having been supported at the Stranraer base since the start of the year.



Better Lives Partnership coordinator Carolyn Kennedy said: "This funding will make the world of difference. It has secured the project going forward and it has secured jobs. It makes the whole thing more sustainable."

Phil Ford, Regional Skills Planning Lead for Skills Development Scotland (SDS) said: "The Better Lives Partnership will help young people with autism to acquire a range of skills to boost their confidence, and help them make successful transitions into education, training or employment."

"The project will also work with employers, schools, teachers and social workers to enable them to better understand the barriers these young people face, and to support their progression into positive destinations."

Professor Russel Griggs OBE, Chair of South of Scotland Enterprise said: "We are committed to continue to work with communities to support them in their aspirations as we recover from the impacts of COVID-19, ensuring we remain a region of opportunity."

Who we are

South of Scotland Enterprise, SOSE for short, is a new, dedicated economic development agency, established by the Scottish Government, for the South of Scotland. We have been established in direct response to the unique economic opportunities and challenges facing the South of Scotland, and we are here to lead the delivery of a fresh and locally focused approach required to succeed in responding to these.

Our aims

Our Aims are to further the sustainable economic and social development of the South of Scotland, and improve the amenity and environment of the South of Scotland.

Our vision

Our Vision is to drive inclusive growth, increase competitiveness, and tackle inequality within the region. We want to establish the South of Scotland as a centre of opportunity, innovation and growth.

Our mission

Our Mission is to work with the people and communities across the South of Scotland to grow its economy. By providing investment, expertise and mentoring, we will inspire the region to think bigger, and unlock significant opportunities for all.

Our values

Our Values will be at the heart of all that we do and are grounded in an understanding of the South of Scotland and its needs. We will be inclusive, responsible, bold and striving.

Our board

Our Board has a broad range of knowledge and experience and is chaired by Professor Russel Griggs OBE, with the organisation led by Nick Halfhide, Interim Chief Executive.

“for the South, by the South and in the South”

How we are different

“ Committed to promoting the economy in its widest sense - championing the South of Scotland's communities, people, environment and jobs ”

“ Driven by a Board comprised of people who know, understand and are passionate about expanding the appeal and offer of the South of Scotland ”

“ Much more than just a voice at the end of the phone - we want to be on the journey with those who need us, working side by side in engaging, coaching, mentoring and empowering them - enabled by our presence here in the South and our flexibility to tailor our support to fit you ”

“ Here for the long-haul, recognising that to build upon our strengths and to develop the economy we want will not come overnight ”

“ We have been established to bring a fresh approach to making things happen in the South. We are... ”

“ Passionate about promoting 'fair work' across all that we do which was central in the legislation which set us up and ensuring that we understand and respond to the needs of those working across the South of Scotland, including through our proposed Workers' Interest Committee ”

“ Committed to working with businesses, organisations and people on an ongoing and not just project by project basis, understanding and looking at how we can empower them to achieve their ambitions ”

“ A new and louder voice for the South, advocating for what we need based on our understanding through listening to people of what is required ”

“ Alive to the need for timely and responsive decision making, recognising the fast moving environments many of our businesses and organisations operate in ”

CASE STUDY

COVID-19 grant support to business

We have administered over £12m of Scottish Government funding to almost 300 businesses across our region through the Pivotal Enterprise Resilience Fund (PERF) and Creative, Tourism and Hospitality Enterprises Hardship Fund since May. Many of the businesses supported would not have survived without this vital support.

We administered the funds in line with the published criteria but we also followed up with every business who was not successful to have personal conversations about their individual circumstances in order to understand what other support could potentially be provided.

Engineering company Turnbull & Scott was just one of the companies across our region to secure a grant from PERF. Based in the Borders, they are UK experts in Industrial Heat Transfer. COVID-19 had a significant impact on the business which resulted in an immediate reduction of sales of commercial and electrical heaters by around 90%. Despite this, they remained open to help customers in essential industries (power generation, food processing and packaging) even though they were only operating on 30% of normal volumes. It was clear to the business this would not be viable in the long term, and they needed some help.



"The grant from the Pivotal Enterprise Resilience Fund has been a great boost for us. Before the pandemic came, we wanted to recruit several positions, but we were quickly resigned to recruitment being put in the back burner, by possibly up to two years.

"The grant we have received has radically changed that situation, and we are now able to hire and train two new members of staff. We are also looking at restarting our apprenticeship programme again, which would be great news for young people in the community.

"To be a company hiring during this crisis is a great feeling and it will hopefully benefit some people who may have lost their jobs as a result of the crisis."

Peter Murphy,
Managing Director of Turnbull & Scott

The Regional Landscape...

Organisational structures focused on driving forward sustainable and inclusive economic success for our region have changed. The new look landscape will ensure the right structures and organisations are in place to ensure the South of Scotland can meet its full economic potential.

The **Convention of the South of Scotland (COSS)** exists to further strengthen ties between the Scottish Government, the two local Councils and national and local agencies active in the South of Scotland. Specifically, it seeks to:

- ensure effective public sector partnership working and delivery;
- provide a forum to collectively consider current and future challenges and actions to address these; and
- consider progress towards driving inclusive growth and the priorities of the region.

The **South of Scotland Regional Economic Partnership** is led by Dumfries and Galloway and Scottish Borders Councils. It brings together a range of stakeholders, including SOSE, the public sector, representatives

from business and the third sector to develop, as a partnership, a regional economic strategy for the South of Scotland.

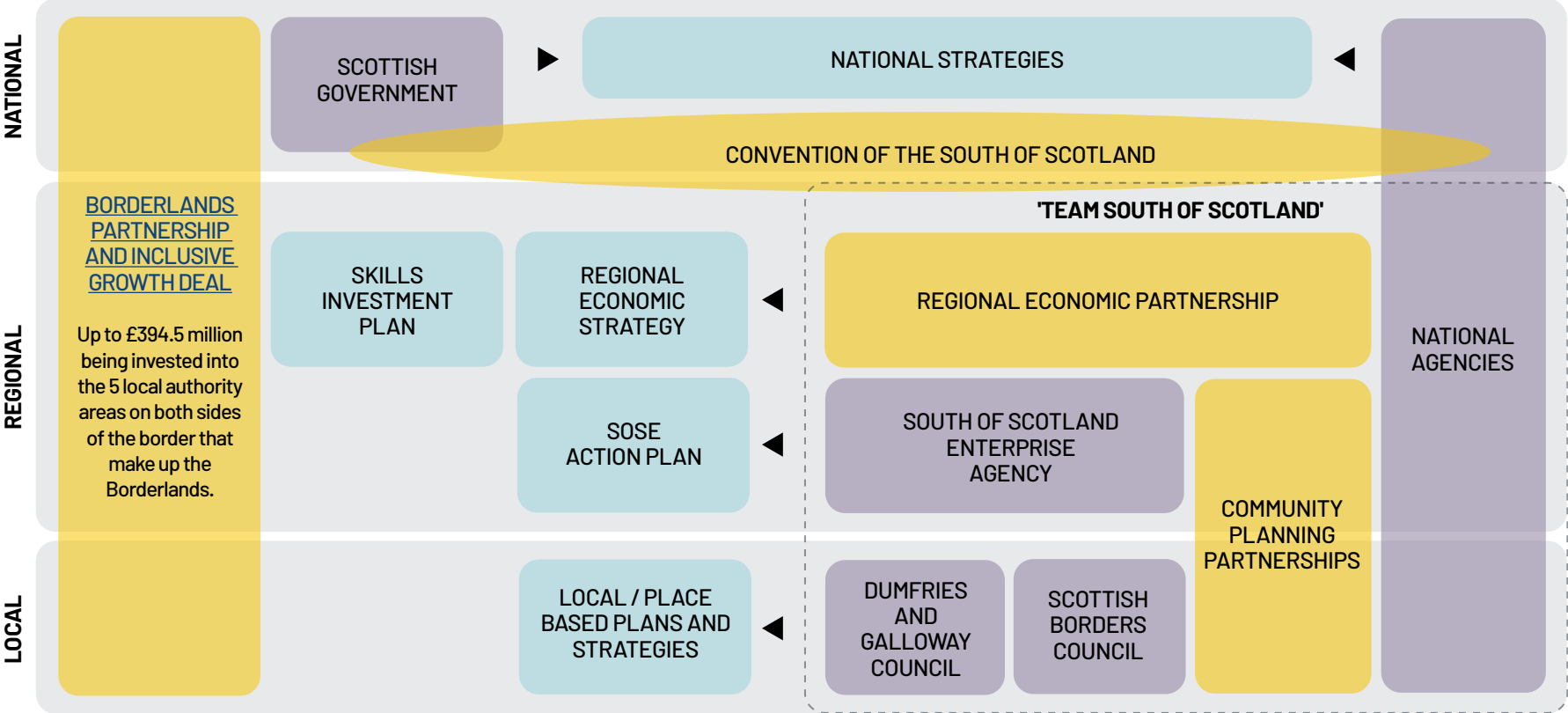
The **Regional Economic Strategy** will set out agreed goals for all partners to work towards, providing the direction needed to enable national and local agencies to align and coordinate their efforts, in direct response to the specific needs of the area, to create jobs and a Just Transition through investment-led sustainable, green growth.

The area's two Councils – **Dumfries and Galloway** and **Scottish Borders** remain a vital part of the region's new enterprise landscape and continue to deliver economic development support and other services that positively impact on the economic success of the South of Scotland. In

addition to providing strategic leadership through the Regional Economic Partnership, each local authority supports their local Community Planning Partnership.

'Team South of Scotland' – the new landscape has acted to formalise and build upon the excellent track record within the region of strong and effective public sector partnership working, with national, regional and local players adopting a coordinated and single team mentality. The COSS affords a real opportunity to bolster these efforts by developing new and strengthened relationships with Scottish Government, around a collective focus of helping to unlock the region's full economic potential by breaking down barriers to investment, ensuring that the South contributes to the national ambition for a fairer, greener and stronger Scotland.

...and our place within it



KEY:

- PLAN / STRATEGY
- KEY PARTNERSHIP
- KEY ORGANISATION
- TEAM SoS

Our Approach and Priorities for 2020/21

The SOSE Act recognises that to realise the full potential of the South of Scotland, our actions need to be directed across a wide range of activities. In responding to this, and in keeping with the need for a fresh, collaborative and place-based approach to developing our region, we are committed to:

- Playing an active role in supporting growth, bringing commerce and communities together, and streamlining their route to funding, markets, and success;
- Showcasing this incredible part of Scotland to the world and highlighting the people and businesses that help drive it;
- Supporting people and organisations that help the economy of the South of Scotland - no matter how big or small they are;
- Building and protecting relationships with communities and businesses, while ensuring access to any specialist services or advice they need; and
- Being a key partner between existing agencies in economic development and acting as the voice of the South.

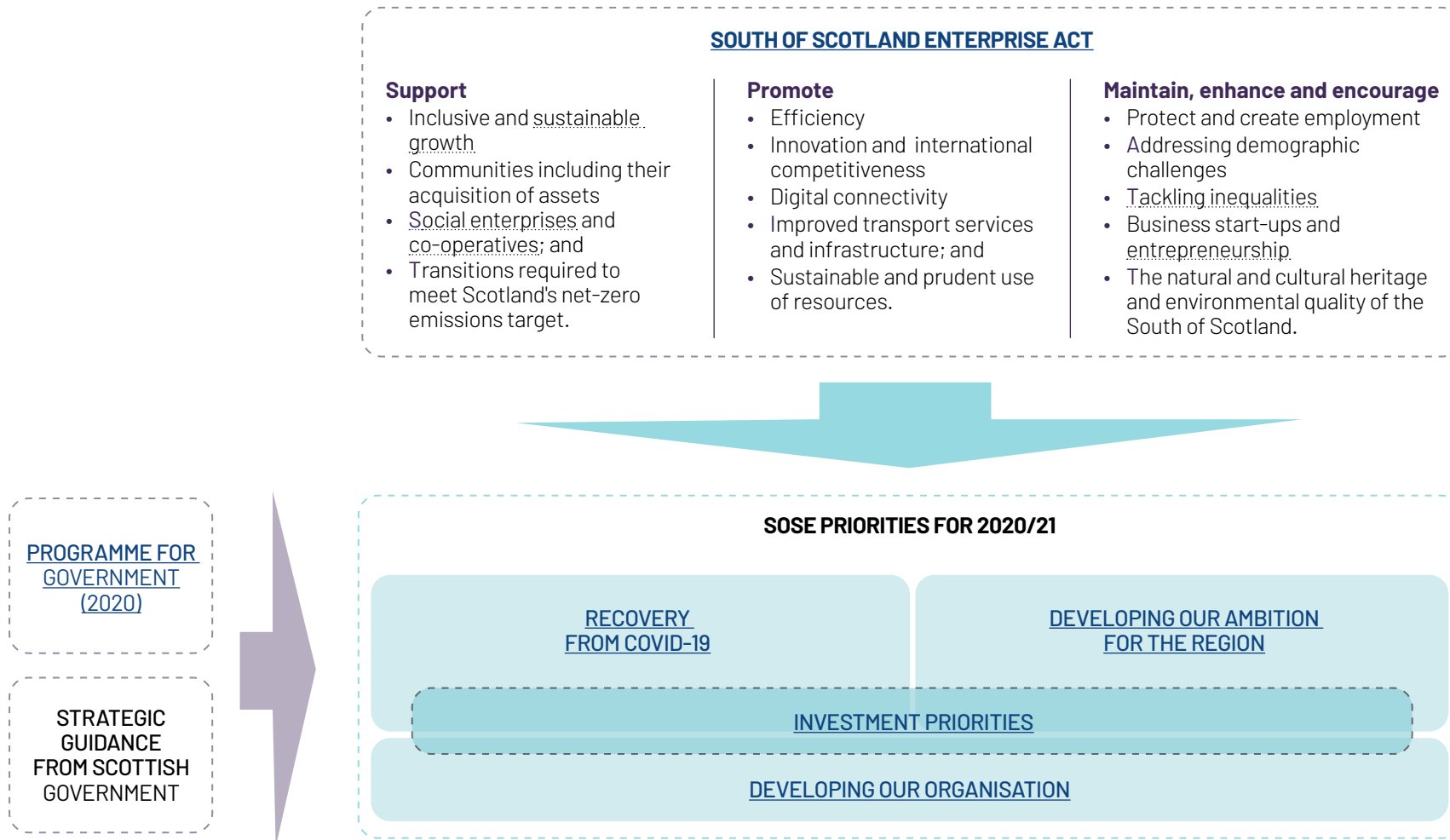
Our interim annual strategic guidance letter from the Scottish Government has reaffirmed that our primary focus for this financial year (2020/21) is to do everything we can to help respond and recover from the impacts of COVID-19 in and for the South of Scotland. This focus also aligns with this year's Programme for Government '[Protecting Scotland, Renewing Scotland](#)', which establishes that the immediate national priority is dealing with the economic, health and social crisis that COVID-19 has brought.

In arriving at our investment priorities, we have also sought to balance the need to invest in longer term opportunities, being alive to the national ambition to build back a fairer, greener and stronger Scotland. Whilst many businesses are confronted by challenges, others have been presented with and invested in responding to opportunities. It is important that we plan positively and are alive to opportunities beyond economic recovery. The South of Scotland remains open for business.

Looking ahead, we are aware of the need for a strong focus on, and a creative and fresh approach to, creating the right conditions to maximise the advantages our region presents if we are to succeed in attracting new investment.

We will, more so than ever, continue to be flexible and work collaboratively where possible, recognising that we must be as responsive as we can be to events as they change.

In the tables that follow we have set out in more detail our immediate priorities for 2020/21.



Recovery from COVID-19...

The projected economic impact of COVID-19 on the South of Scotland will be incredibly challenging. The need has never been greater to support those at risk of losing their jobs, retaining people in work and helping businesses and community organisations to adapt and survive beyond COVID-19.

| What we will focus on: | What we will do: | What we will do in partnership: |
|--|--|---|
| <ul style="list-style-type: none"> • Understanding and mitigating the impacts of the global pandemic on our businesses, communities and economy • Sustaining businesses and jobs across our towns, villages and countryside • Helping businesses and communities prepare for the new 'norm' • Identifying new opportunities, new sectors and new skills needed • Continuing to adapt and respond to the dynamic environment, along with our partners • Working with businesses and communities to understand and sustain the creativity and innovation the response to COVID-19 has engendered • Our priorities will be to: <ul style="list-style-type: none"> - Sustain as many jobs as possible by supporting business recovery - Attract inward investment to the region - Encourage investment from within the South of Scotland - Support local businesses to grow and <u>entrepreneurs</u> to start new businesses - Encourage communities to develop projects that create jobs and contribute to community wellbeing | <ul style="list-style-type: none"> • Allocate a significant percentage of our 2020/21 annual budget to supporting our COVID-19 recovery • Establish dedicated funds to support businesses and communities in their response to COVID-19 recovery (see Our Investment Priorities table below) • Directly communicate with as many businesses and communities seeking support as possible, assisting or signposting where we can • Identifying employment opportunities in the short to medium term • Work with Scottish National Investment Bank, as well as mainstream lenders, to help business access the finance they need to survive and grow • Share learning and best practice on adaptation, diversification and innovation | <ul style="list-style-type: none"> • Align our plans and activities with those of the Scottish Government • Champion the needs of the South of Scotland by contributing intelligence and influencing Government thinking and actions • With both local Councils adopt a Team South of Scotland approach to pool intelligence and co-ordinate response, restart and recovery efforts • Rapid development of shared understanding on potential redundancies in the South of Scotland • Support the upscaling of <u>PACE</u> activity and support for individuals facing redundancy, including labour market support transitions for up-skilling, re-skilling and progression into secure good quality jobs • Protect the region's young people working with partners to implement the youth guarantee scheme • Work with the Councils, Business Gateway, Skills Development Scotland, VisitScotland and other partners to make the most effective use of the funding and resources available • Work with Scottish Government, other public agencies and the private sector to develop and deliver the Green Jobs Fund, promoting its uptake across our region |

CASE STUDY

COVID-19 grant support to business

ThermaFY, a thermal imaging company based in the Scottish Borders was one of the businesses to receive a grant from South of Scotland Enterprise through the Pivotal Enterprise Resilience Fund.

The business (whose work is focused on innovation around thermal imaging reporting software), saw their main income stream suspended directly due to COVID-19. The grant has enabled them to keep their business running throughout the COVID-19 crisis, but also provided funds to develop new ideas.

During lockdown, the innovative team quickly realised there was a gap in the market, and they developed their technology to fit with demands for a post-COVID-19 personal wellbeing product. The new application is able to check, record and alert any temperature changes in staff in a discreet and appropriate manner, allowing early indications of potential virus and further health checks to avoid spread.

"When COVID-19 struck we saw that we were going to have to make some drastic changes as our current business plan flew out the window, our customers could no longer trade, and there was nowhere for us to go.

"We looked at how we could adapt our thermal analysis software to work in other industries or areas that were not so severely affected by the lockdown. We found an opportunity to develop our analysis to detect disease in cattle, looking for raised temperatures to identify a change in the cow's health pattern. But it needed one of our customers to reach out to us and say "do you have a solution that will detect



Making the invisible visible & measurable



raised temperatures in people with COVID-19" for us to come up with the new product.

"The Pivotal Resilience Enterprise Fund was a lifeline for us, as cash was critical for us to be able to take advantage of new opportunities.

"I am hugely grateful for SOSE who supported us to bring our application to market, with the award of the grant. I want to show them that their belief in us was well placed, as we strive forward with these new opportunities and try and support companies to safely return to work and get the economy moving again."

Amanda Pickford,
Founder and CEO of ThermaFY

Developing Our Ambition for the Region...

Whilst our immediate focus must be on activities to help mitigate the impacts of COVID-19, we want to look to the future to develop our strategic response to recovering and growing our economy, sustaining and creating jobs. Working in partnership, we want to ensure that the South of Scotland is recognised as open for business with a framework in place that attracts investors. We will engage with people, communities and businesses across the South of Scotland to establish a clear and shared set of priorities, for the short and longer term to ensure that we are contributing to help Scotland move towards the top quartile of OECD countries for productivity, equality, wellbeing and sustainability.

| What we will focus on: | What we will do: | How we will enable this: |
|--|--|---|
| <ul style="list-style-type: none"> Continuing to develop our understanding of the breadth and complexity of the regional economy; and sectors which are important; and the region's natural advantages, sharing this with you as our response develops Continuing to work with our businesses and communities to support them with the impact of exiting the EU Working with partners, including those in higher and further education, to develop opportunities for young people Influencing and understanding the impact on our activities of: <ul style="list-style-type: none"> national ambitions and economic recovery plans partners of the Enterprise and Skills Strategic Board regional partnerships including the Convention of the South of Scotland (COSS) and the Regional Economic Partnership (REP) regional strategies and planning policies | <ul style="list-style-type: none"> Continue regular engagement with people, communities and businesses, exploring the best structures to do this Plan positively for recovery Engage closely with business and communities to ensure necessary actions to prepare for the end of the EU Transition Period are taken Seek opportunities and not lose sight of long standing and deep-rooted issues which require a long-term response Proactively contribute to the COSS and REP, working with partner organisations to reach agreement on the key issues and priorities, for example transport and digital connectivity Support the development of a Regional Economic Strategy and ensure alignment between this and our own Action Plan Continue to work with UK and Scottish Governments and partner agencies on key investments, for example Borderlands Inclusive Growth Deal and Edinburgh and South East Scotland City Region Deal Respond to key government consultations and assist national policy development, advocating for the South | <ul style="list-style-type: none"> Publish and implement our consultation strategy over the autumn/winter of 2020/21 as part of our regular commitment to engagement, being inclusive and capturing the needs and imagination of young people Take forward research projects to develop learning to inform our plans and understanding of the region Enhancing skills and career pathways to create opportunities to retain and attract young people Progress options to address key issues and opportunities, for example around: <ul style="list-style-type: none"> Community Wealth Building as a means of promoting fairness and wellbeing Green job creation through our energy transition group Maximising the value of the regions Natural Capital and establishing a baseline Publish our Action Plan, taking into account the outcome of our consultation and national direction, that sets out our priorities for the next 3 years Agree our performance framework to measure and assess our progress Develop new and strengthened relationships with Scottish Government and partner agencies |

Developing our Organisation...

We are a new organisation and we have a three year plan to establish ourselves. We are committed to creating an effective and efficient organisation that is focused on addressing the issues and needs of our clients in the South of Scotland. We will do this by building and sustaining a strong, client-focussed culture, being visible and available across the South of Scotland, continuous improvement and a strong and powerful focus on Fair Work.

| What we will focus on: | What we will do: | How we will enable this: |
|--|--|---|
| Building and sustaining a strong client-focussed culture that is responsible, inclusive, striving and bold in delivering for the South of Scotland | <ul style="list-style-type: none"> • Treat our customers with fairness and trust • Tailor our support to meet our clients' needs • Invest our funds in a responsible manner | <ul style="list-style-type: none"> • Develop and improve our support through client engagement, insights, consultations and feedback • Develop forums and build networks for partners to ensure we continue to meet client needs |
| Be visible and available across the South of Scotland | <ul style="list-style-type: none"> • Be visible and available to those organisations who are looking for our support • Target support where it is needed most • Develop a place-based approach to service delivery | <ul style="list-style-type: none"> • Promote funds, services and advice across the South of Scotland • Use technology and a highly mobile team of specialists and advisors to support clients wherever you are • Work in partnership with other organisations and individuals to deliver the optimal solutions for clients |
| Continue to build our organisational capability | <ul style="list-style-type: none"> • Recruit and develop SOSE's team of skilled professionals to ensure we have the right team in place to meet the needs of our clients • Continue evolving our digital communications and offerings including our website, webinars and social media | <ul style="list-style-type: none"> • Constantly review our skills and knowledge • Recruit great people within the South of Scotland • Maintain a strong and easy to use digital platform |
| Exemplar for a <u>Fair Work</u> organisation | <ul style="list-style-type: none"> • Consult and communicate widely and inclusively across the South of Scotland with regard to <u>Fair Work</u> and what it means for people and organisations in the South of Scotland | <ul style="list-style-type: none"> • Consult with a wide range of organisations and stakeholders • Set up a <u>Workers Interest Committee</u> to oversee our <u>Fair Work</u> strategy and plan • Ensure that commitment to <u>Fair Work</u> is a key principle in our decisions to work with and support clients |

Our Investment Priorities...

Whilst recovering from COVID-19 will be our primary focus in 2020/21, opportunities will also be taken to focus our resources on creating and investing in opportunities which act to sustain and strengthen our economy, businesses and communities across the longer term.

| What we will invest in: | Investment and value (£): | How we will enable this: |
|---|---|---|
| Our organisational capacity, capabilities and ability to deliver for the region with our team of specialists and advisors who will look to work alongside our customers and engage, coach, mentor and <u>empower</u> them | SOSE Operations Team (£2.1m) | <ul style="list-style-type: none"> Invest in those opportunities and areas which will aid or accelerate <u>economic recovery</u> and have the greatest impact Develop robust business cases Be open to a greater share of risk Support organisations which are looking to innovate Work with key partners to support the implementation of, and add value to, regional investment priorities, e.g. Borderlands Inclusive Growth Deal and Edinburgh and South East Scotland City Region Deal Investigate longer term and flexible funding relationships with organisations |
| Those businesses and organisations that are looking to adapt and diversify in recovering from COVID-19, especially supporting innovation and business improvement | SOSE Adaptation and Diversification Fund 2020 (up to £3.4m) | |
| Those businesses and organisations that need flexible models of finance to adapt and diversify | SOSE Economic Recovery Loan Fund 2020 (up to £5m) | |
| Those businesses and organisations that are in crisis but where jobs can be retained and sustained | SOSE Crisis Fund 2020 (up to £2m) | |
| Those communities and community organisations that are looking to test project ideas that support <u>inclusive growth</u> and job creation in their locality | SOSE Community Ideas Fund 2020 (up to £0.5m) | |
| Those communities that are seeking to develop sustainable projects that deliver <u>inclusive growth</u> from community assets | SOSE Community Asset Development Fund 2020 (up to £3m) | |
| Seeing through to completion those projects SOSEP had started. | SOSEP Commitments (£0.8m) | |
| Seeing through to completion projects started by Scottish Enterprise in the South of Scotland. | SE Commitments (£0.7m) | |
| Projects approved to date | £4.6m | |
| Shared Services with other Strategic Public Body Partners (Finance, HR and IT systems and back office support) | £1.4m | |
| Organisation Running Costs (including remaining staff, estate costs) | £3.1m | |

Total £26.6m

CASE STUDY

South of Scotland Destination Alliance (SSDA)

On 1 July 2020, we announced our first major investment programme providing a vital funding package to support the recovery and future of the economy in the South of Scotland.

We have committed just over £2.7m over five years to support a new tourism, marketing and destination development programme to be delivered by a new industry-led leadership body called [South of Scotland Destination Alliance \(SSDA\)](#).

The announcement confirms our commitment to look beyond COVID-19 to the future growth and sustainability of the economy of the South of Scotland with the aim to make the region a world-class visitor destination attracting people to live, work, visit, learn and invest in the area for many years to come.

The funding will allow SSDA to lead the delivery of a clear tourism strategy from coast to coast, supporting the best possible recovery plan for the sector and the wider economy of the South of Scotland.

With a focus on place-making, people, digital capability and sustainability, the ambition of SSDA is to make the South a top tourism destination, offering a world-class visitor experience and driving multi-million-pound growth in tourism spend.

"We have always said we will do things differently – to work in the South, for the South – and this is a key part of our five-year partnership with the SSDA."

Professor Russel Griggs OBE,
Chair of South of Scotland Enterprise



[SSDALLIANCE.COM](#) INFO@SSDALLIANCE.COM
15 HIGH STREET, SELKIRK, TD7 4BZ SC660953

Source: MBTAG

Measuring and Reporting Success

What does success look like?

Come the 1 April 2021 we want to look back and be able to assess whether we have achieved what we set out to (in this Plan). Whilst we will draw in additional information and evidence available at that time, we will consider a number of core measures, for each of our key areas of focus, as a foundation to determine success.

Our COVID-19 Recovery

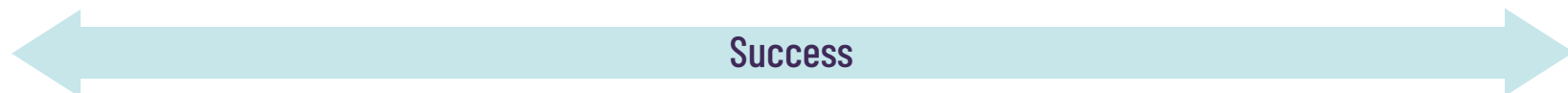
- Good understanding of the challenges facing our region in response to which we are, as part of a Team South of Scotland approach, leading in instigating and/or lobbying for actions to address these
- Widely recognised as a go to 'place' for advice and support by the South's businesses, social enterprises and community organisations
- Good take up of our support and dedicated funds with evidence to support, including case studies, that these have acted to support business recovery, safeguard and where possible create jobs and/or empowered communities

Growing our Capabilities

- Continued growth in our capacity and ability to engage with and support more businesses and communities
- Operating model, focussed on a place-based approach, refined and being implemented
- Growing momentum of activities associated with establishing a strong workforce culture, grounded in our values, informed by where we want to be in the future
- Increased presence across our region with greater involvement in a wider range of activities, partnerships and initiatives where we can add expertise, value and make a difference

Developing Our Ambitions for the Region

- Consultation Strategy published and being actively implemented to help shape our future plans, with a greater number of young people engaged
- Good understanding, working with partners, of the impacts on our region of EU Exit, COVID-19 pandemic and other external influences
- Publication of our Action Plan aligned to, having proactively influenced and supported via the REP, a robust and ambitious South of Scotland Regional Economic Strategy
- Proactively engaged with and sought to assist and influence Scottish Government policy development, advocating for the South
- Performance framework in place to objectively measure progress towards our aims and vision



Beyond measuring the success of our Operating Plan, we are committed to developing new ways of defining success in terms of progress against our overarching aims and vision. We recognise that more traditional economic measures are not relevant to or do not tell the full story of the wellbeing of the South of Scotland's economy and communities.

In response we are working closely with the Scottish Government and partner agencies, alongside our own thinking, to develop a consistent framework which better captures progress on delivering inclusive growth and a fairer society.

This work will help inform the development of a comprehensive and locally specific measurement framework which will be progressed as part of our Action Plan. Once in place this framework will, across future years, measure the effectiveness of our actions and progress towards our aims and vision.

Reporting on our progress

We will regularly report on our progress towards our priorities throughout the year via our website and social media, including for example the take up and award of grants and what these seek to achieve for our businesses and communities.

Beyond this we are required to prepare and publish, on an annual basis, a report of our activities. It will be through this process that we report our performance and progress towards our aims and objectives, providing transparency and enabling accountability in all that we do.

Appendices

Appendices

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- 32** Our Board
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- 36** Glossary



APPENDIX A

Our Values

At the heart of all that we do will be by our core values which have been shaped by a process of collaborative spirit and are grounded in an understanding of the South of Scotland and its needs.

Inclusive

- Collaborative, long term.
- Building trust, bottom up not top down.
- Supporting diverse thinking from diverse communities and business.

Responsible

- We do what's right for communities and the planet.
- We are honest, transparent and straight-talking.
- We champion the South; its people, communities and businesses.

Bold

- Open-minded, creative, lateral.
- Optimistic, pioneering and ambitious.
- Aiming high, providing hope and encouragement.

Striving

- We take pride in all that we do.
- We never give up, we fight for what's right.
- We challenge ourselves to always be better.

APPENDIX B

Our Board

Direction for SOSE and all aspects of our work are overseen by our Board, currently comprised of twelve Members, chaired by Professor Russel Griggs. Taken as a whole, our Board brings together a broad range of relevant interests, skills, experience and expertise with knowledge of the whole of the South of Scotland and the issues facing those who work in the South of Scotland. It is brimming with enthusiasm, passion and a genuine commitment to drive forward our vision and deliver lasting change in the South of Scotland.



Professor Russel Griggs OBE
Chair, South of Scotland Enterprise

Professor Russel Griggs OBE also led the team who created SOSE. Russel Chairs the Scottish Government's independent Regulatory Review Group who advise and work on better regulation in Scotland; is Chair of Scottish Mines Restoration Trust and is a Board member of Lenlyn Holdings Ltd. He is honorary Professor of the University of Glasgow, was an associate Professor at Boston University and a member of the board of the Business School at Georgia Southern University. He was awarded an OBE in the Queen's Birthday Honours list in 2008 for services to Scottish industry.



Nick Halfhide
Interim Chief Executive

Previously Director of Sustainable Growth at Scottish Natural Heritage, has taken on the interim CEO South of Scotland Enterprise (SOSE) role from 3 February 2020 until a permanent appointment is made.



Professor Sara Carter OBE FRSE
Vice-Principal and Head of the College of Social Sciences at the University of Glasgow

A Professor of Entrepreneurship, a member of the Council of Economic Advisers to the First Minister of Scotland; the Enterprise & Skills Strategic Board; the Women in Enterprise Action Group and is Non-Executive Director of Women's Enterprise Scotland.



Alistair Cameron
Managing Director of Scotmas Group

Scotmas Group is one of the world leading designers and manufacturers of water treatment, hygiene and environmental care systems. Alistair has built his career in the Life and Chemical sciences sector growing a two-person, home based business, to becoming a major local employer, exporting to 32 countries worldwide.



Alan Daubney
 Managing Director and owner of
 ADCA Chartered Accountants

Alan set up ADCA in 2011 and is also involved in a number of businesses and charities providing accounting and Financial Director roles. Alan has a degree in Economics and Finance from Strathclyde University and qualified as a Chartered Accountant in 2006.



Helen Forsyth
 Chief Executive of Berwickshire
 Housing Association (BHA)

During her time at BHA, Helen has inspired for over 12 years, during which time she inspired staff to become number nine in the Sunday Times Best Companies not for profit section. Helen is Chair of Resilient Scotland and previously Chief Executive at Edinvar Housing Association.



Duncan McConchie
 Managing Partner of Laggan Outdoor
 Activity Centre and GG's Yard

Situated in Dumfries and Galloway. Duncan and his wife have transformed the business with the creation of on-site accommodation, GG's Yard wedding and conference venue and soon to launch, Gather, their hillside kitchen/bistro.



Lindsay McDowall
 Head of Services at Visibility Scotland

Lindsay manages projects and services across Dumfries and Galloway, Scottish Borders and throughout the west of Scotland. Locally, Lindsay has led and developed an award-winning community project in Dumfries and Galloway for Visibility Scotland and has a strong interest in building community resilience.



Kate Rowell
 Sheep and Suckler Cow Farmer

A veterinary surgeon and fifth generation sheep and suckler cow farmer from a hill and upland farm near Peebles. Kate is Chair of Quality Meat Scotland and an active member of the local National Farmers Union of Scotland branch.



Jeremy Sainsbury
 OBE FRICS
 Director, Natural Power

Director of international renewable energy consultancy Natural Power based in Dumfries and Galloway, serving Director of Energy UK, founder member of Scottish Renewables, serving as chairman, vice chairman and chair of the grid group.



Hazel Smith
 Founder of ReTweed

ReTweed is a social enterprise based in Eyemouth delivering craft, heritage and textiles skills to women facing multiple barriers, breaking cycles of poverty, isolation and low aspiration. Hazel won Social Entrepreneur of the Year in the Herald Society awards in 2019 and has developed ReTweed to represent excellence in its field.



David Sulman
 Over 40 years' experience in the UK
 forestry and timber sector

David has been actively involved in several Forestry Commission and Forest Research specialist committees and has been a member of the Timber Transport Forum, former Chair of the Assessment Panel of the Scottish Strategic Timber Transport Scheme and served on the National Council of Rural Advisers.

APPENDIX C

Our Organisation

As an organisation we are structured around four Directorates – Finance; Enabling Services; Strategy, Partnership & Engagement; and Operations – by our Interim Chief Executive, Nick Halfhide. Our current headcount is 59 employees.



Nick Halfhide
Interim Chief Executive,
South of Scotland Enterprise



Anthony Daye
Director of Finance

Finance
Information Governance, Risk & Compliance
Procurement & Legal

3 Employees



John Evans
Director of Enabling Services

Facilities & Office
HR
IT & Digital

4 Employees



Karen Jackson
Director of Strategy,
Partnership & Engagement

Communication & Marketing
Corporate Governance
Partner & Stakeholder Engagement
Strategy & Planning

10 Employees



Bryan McGrath
Director of Operations

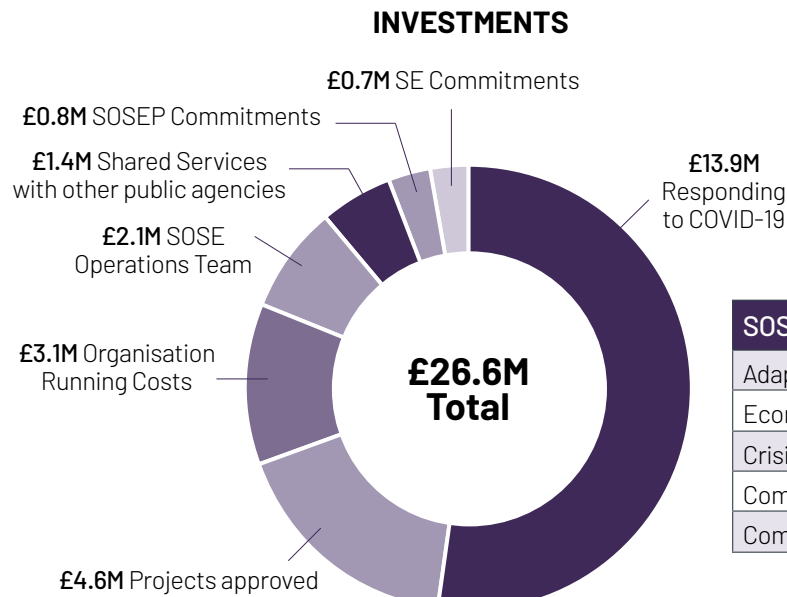
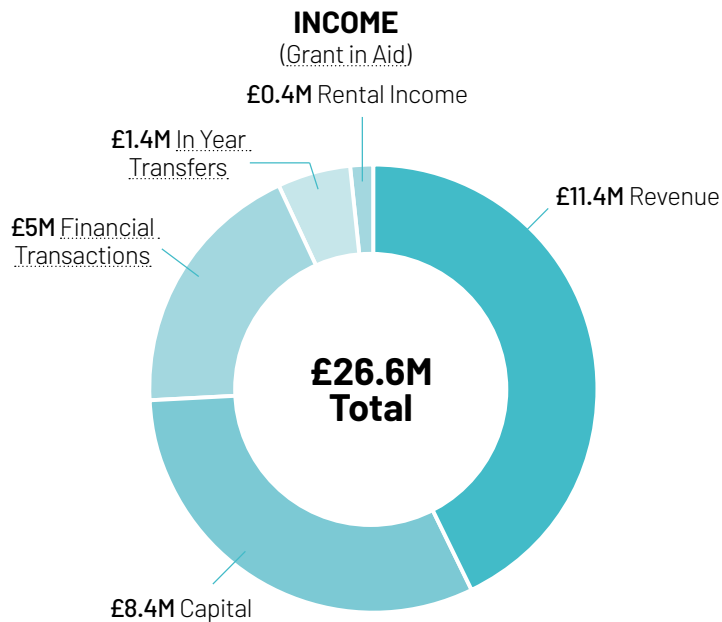
Business Development
Community Development
Economic Infrastructure

41 Employees

APPENDIX D

Our Operating Budget for 2020/21

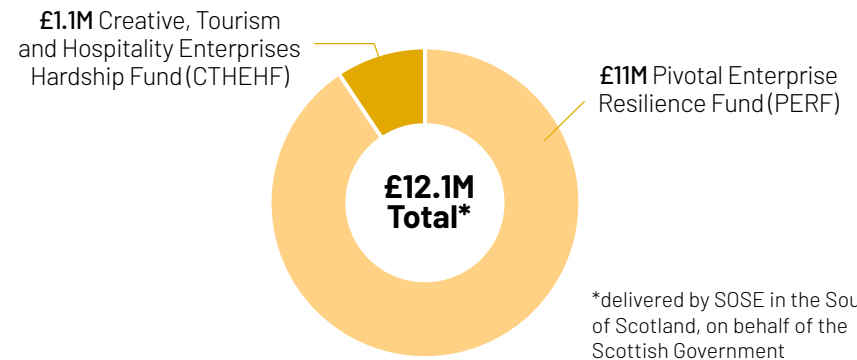
Current forecasted outturn



| SOSE Funds | £M |
|-----------------------------|-----|
| Adaption & Diversification | 3.4 |
| Economic Recovery Loan Fund | 5.0 |
| Crisis | 2.0 |
| Community Ideas | 0.5 |
| Community Asset Development | 3.0 |

Note:

- South of Scotland Enterprise (SOSE) original cash allocation was £24.8M cash in February 2020; the overall budget for SOSE is £28.1M which includes other elements related to administration and non-cash
- Current forecasted outturn is cash only
- SOSE inherited property and land assets valued of c£2.5M at 1st June 2020 as part of a legislative transfer from Scottish Enterprise
- Shared Services with other strategic public body partners includes Finance, HR and IT systems and back office support
- Organisation Running Costs includes all remaining staff out with the Operations Team, and other business and estates costs



*delivered by SOSE in the South of Scotland, on behalf of the Scottish Government

APPENDIX E

Glossary

Amenity - A desirable or useful feature or facility of a building or place.

Community Planning Partnership - Community planning is the process by which Councils and other public bodies work with local communities, businesses and community groups to plan and deliver better services and improve the lives of people who live in Scotland. In the South of Scotland there are two Community Planning Partnerships, one for Dumfries & Galloway and one for the Scottish Borders.

Community Wealth Building - Community wealth building is a new people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people.

Co-operatives - a farm, business, or other organisation which is owned and run jointly by its members, who share the profits or benefits.

Dwellings - A house, flat or other place of residence.

Economic recovery - Economic recovery refers to an expansion of the economy following a recession (in the current context

caused by the impacts of the global COVID-19 pandemic), whereby ordinarily business activity improves, economic measures such as gross domestic product (GDP) grows, incomes rise, and unemployment falls as the economy rebounds.

Empower - Give (someone) the authority or power to do something.

Enterprise and Skills Strategic Board - This Strategic Board was created in November 2017 in response to the Enterprise and Skills Review. Its objective is to align and co-ordinate the activities of Scotland's enterprise and skills agencies: Scottish Enterprise, South of Scotland Enterprise; Highlands and Islands Enterprise, Skills Development Scotland and the Scottish Funding Council. More information on the Enterprise and Skills Strategic Board can be found [here](#).

Entrepreneurial - Often referred to as a mindset, being entrepreneurial can mean knowing your industry inside out and being able to exploit that knowledge to create and initiate new ideas and opportunities. Being entrepreneurial can mean sharing ideas

freely, and celebrating so-called failures as learning and growing experiences. Being entrepreneurial can mean simply thinking outside of the box, and expecting the unexpected.

Fair Work - Work that offers all individuals an effective voice, opportunity, security, fulfilment and respect. More information on Scotland's Fair Work Convention can be found [here](#).

Financial Transactions - Financial Transactions Capital (FTC) is funding allocated by Scottish Government to local government or agencies, it can be deployed only as a loan to or equity investment in a capital project.

Grant in Aid - is the transfer of money from the Scottish Government to local government or agency for the purposes of funding a range of outcomes usually understood through policy or legislative direction.

Inclusive Growth - Ensuring that all people and communities across Scotland feel the benefits of, and are able to contribute to, our economy and society. The Scottish Government's definition for inclusive growth can be found [here](#).

In Year Transfers - is money transferred into or out of Government organisations at two budget revision points in the year, Autumn and Spring which alters amount allocated in original Scottish Government budget bill in February.

Just Transition - The move towards a net-zero economy that is fair for all. In Scotland the Just Transition Commission advises Scottish Ministers on how to apply Just Transition principles.

Natural Capital - elements of nature that directly or indirectly produce value to people, including ecosystems, species, freshwater, land, minerals, the air and oceans. Valuing natural capital can help to manage environmental risks and to inform a wide range of decisions.

OECD - The Organisation for Economic Co-operation and Development is an intergovernmental economic organisation with 37 member countries, founded in 1961 to stimulate economic progress and world trade.

PACE activity - Partnership Action for Continuing Employment (PACE) is the Scottish Government's initiative dedicated to helping individuals and employers with the advice and support they need when faced with redundancy.

Place-based approach - An approach that works with an entire community (in its broadest sense) that is recognised as a 'place' - this could be a village, town or area, for example Tweed Valley.

Productivity - Measures the efficiency of what is being produced. It is often expressed as the ratio

of what you get out (output) from what you have put in (input). The more productive the ratio the more you are getting out from the same input.

Public agencies - Organisations that provide a public service. For example fire, police and health services, local government etc.

Outcomes - The result we want to achieve. For example having grown our working age population by attracting more people to choose to live in the South of Scotland and retaining more of our young people.

Regional Economic Partnership - The group of organisations that are involved in developing and publishing the Regional Economic Strategy.

Regional Economic Strategy - A document that sets out the long-term vision and strategic objectives for the economic development of a region, for example South of Scotland.

Social enterprise - Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

Staycation - A holiday spent in one's home country rather than abroad, or one spent at home and involving day trips to local attractions.

Sustainable (economic growth) -

Sustainable economic growth means a rate of growth which can be maintained without creating other significant economic, social or environmental problems, especially for future generations.

Tackling inequalities - Addressing the challenge that not everyone is treated the same. For example equal pay for men and women in the same employment doing the same work.

Third sector - The third sector refers to organisations which are neither public or private and includes charities, social enterprises and voluntary groups. The sector delivers essential services, helps to improve people's wellbeing and contributes to economic growth. It plays a vital role in supporting communities at a local level.

Top Quartile - Scottish Government aims for Scotland to be in the top 25% of OECD countries for productivity, equality, wellbeing and sustainability.

Turnover - The amount of money taken by a business or organisation in a particular period.

Workers' interest committee - A group of individuals (appointed by South of Scotland Enterprise (SOSE)) who advise SOSE on what it should be doing to advance the interests of workers in the region.

Contact us

Find out more at

www.southofscotlandenterprise.com

Or get in touch to find out how we can tailor our support to your individual needs and circumstances

www.southofscotlandenterprise.com/contact-us

0300 304 8888

To request this document in an alternative format, such as large print, different language or on coloured paper please get in touch with us.

Correct as of August 2020

