

**MINUTES OF THE SCOTTISH ENTERPRISE BOARD HELD IN GLASGOW ON 2
DECEMBER 2022**

Present: Willie Mackie, Deputy Chair
Adrian Gillespie Chief Executive
Karthik Subramanya
Dr Poonam Malik
Gavin Nicol
Dr Sue Paterson
Carmel Teusner
Peter McKellar

In Attendance: Jane Martin, MD, Innovation and Investment
Carolyn Stewart, Chief People Officer
Douglas Colquhoun, Chief Financial Officer
Neil Francis, MD, Digital and Major Projects, Scottish Enterprise
Reuben Aitken, MD, International Operations
Rhona Allison, MD, Business Growth
Karen Hannah, Corporate Office

Apologies: Professor Dame Anne Glover

Willie Mackie welcomed members to the meeting and there were no conflicts of interest declared.

STANDING ITEMS:

1. Minutes of the Meeting held on 28 October 2022 – SE(M)335

The Minutes of the previous meeting were approved.

2. Chairs Report

The Chair updated on a recent visit programme to Aberdeen, which included a session with SE staff. A further programme was scheduled in mid-December which included a meeting with Sir Ian Wood and an Offshore Wind roundtable.

Reflecting on the positive Board meeting at Edinburgh Bioquarter, Willie confirmed that venue options for future meetings were being identified.

The Chair also updated on progress with the recruitment of new Board Members, with a further panel meeting scheduled for 12 December.

3. Chief Executive's Report

Adrian advised the Board that Carolyn Stewart intended to retire in August the following year, stepping down from her Executive Leadership Team (ELT) role at the end of March. Recruitment would commence in January. Carolyn had been a member of ELT for 12 years and had been with SE for 25 years. Adrian thanked Carolyn for everything she had done for SE over the years, particularly taking on additional responsibilities. He reflected that she would be hugely missed by her ELT colleagues.

On behalf of the Board, Willie thanked Carolyn for her outstanding contribution and support to the Board and to Willie personally and wished her well for the future.

The consultation on SE's property strategy was still live, with a closing date of 4 December. Adrian advised that an interim review had been undertaken, particularly in relation to three office locations which were more distant to a hub, following feedback from staff on implications for their working life and travel. One location, Kilmarnock, would move immediately to the new model, offering an alternative base for a small number of colleagues on Workstyle 2 and providing touch down space for other colleagues. The other locations, Stirling and Glenrothes, would move to an interim space, with partners.

The plans had been communicated to staff and were well received.

Adrian updated the Board on a strategic acquisition at Broomielaw, with negotiations at an advanced stage and which would require Board consideration on 8 December.

The Medicines Manufacturing Innovation Centre (MMIC) was officially opened on 30 November. The facility was a £40m public investment and £44m private investment led by CPI. The initial concept was initiated in 2014, with involvement from SE on the development. The new facility was an opportunity to act as critical infrastructure in SE's ambitions to attract international companies to co-locate at AMIDS and was the first of the facilities within AMIDs to open, with NMIS scheduled to open in Spring the following year.

The Groundbreaking Ceremony for DSM took place on 30 November, attended by the First Minister. This was a £100m capital investment which would see 30 new jobs added to the current workforce of 400 and would place the site on a great footing in terms of future capability. The company had commented that by locating to Scotland, it had increased the value of the project and confirmed that they were committing to the net zero agenda.

Adrian confirmed that negotiations had been completed for Mangata and an announcement would be made the following week. The project would see 575 new jobs for the area and was an endorsement for Scotland in the space arena. Adrian commended Neil Francis and the team on progressing the negotiations.

Willie also conveyed the Board's thanks to the team and acknowledged the role of Scottish Government colleagues.

Adrian updated on the support by the SDI team to Minister McKee's recent visit programme to Adipecc. A number of meetings were held with key players in the energy sector. The team also delivered a Scotland pavilion in partnership with the Energy Industries Council, taking 23 companies from Scotland, who received mentoring by local GlobalScots, in-market support from trade colleagues and direct engagement with energy trade specialists. As a result, it was forecast that more than £60m in new international sales over the next 3 years and 350 jobs could be realized.

Adrian also updated that Marubeni had opened its first office in Scotland in November, which would allow the company to drive forward its work to support Scotland's journey to net zero, following the signing of a MOU with SE during COP26. During a visit programme to Japan and Korea in November, Mr Matheson, Energy Secretary, had a successful meeting with Marubeni and Hyundai Heavy Industries in South Korea.

An update was provided on the International Recovery Programme which was a Scottish Government initiative developed in response to the publication of the Trade Recovery Plan in June 2020. Companies would receive £9,000 for specific timebound projects to recovery and growth internationally. Since 2020, SE had supported 228 companies across sectors, particularly in consumer lifestyles where both Brexit and the pandemic had the most impact. The programme has provided £1.8m in grant funding and generated estimated international sales of £238m over 3 years, with 420 jobs created, 354 safeguarded as a result of projects funded.

In response to a question raised, Adrian provided an update to the Board on the recent fatal accident at the Doosan facility.

FOR INFORMATION

The following papers for information were noted.

- 4. Finance Report as at the end of October 2022 – SE (22)54**
- 5. Growth Investment Portfolio – SE(22)56**

Willie commented on this paper which provided a very positive story of SE's investment history, and he looked forward to the discussion in February.

- 6. Notification of New Interest – SE(22)57**
- 7. Approvals Within Delegated Authority – SE(22)58**
- 8. Testimonials & Complaints – SE(22)59**
- 9. Forward Events and Summary of Events in the past two months – SE(22)60**

AOB

Rhona advised that Mr Lochhead would make an announcement the following Tuesday on conditionality for Fair Work which included a commitment to a requirement for public sector grant recipients to pay at least the real Living Wage to all employees and provide appropriate channels for effective workers' voice. Rhona advised that on initial review, 80% of companies in receipt of SE funding were paying the Real Living Wage. Work was underway to assess the impact of the conditions.

Willie thanked the Board and ELT members for joining the meeting, with particular thanks to Carmel who had joined from Australia.