

**MINUTES OF THE SCOTTISH ENTERPRISE BOARD HELD IN EDINBURGH ON
26 APRIL 2019**

Present: Willie Mackie, Deputy Chair
Steve Dunlop, CEO
Carmel Teusner
Melfort Campbell OBE
Dr Sue Paterson
Karthik Subramanya
Dr Poonam Malik
Professor Dame Anne Glover
Gavin Nicol

In Attendance: Stuart Fancey, Scottish Funding Council
Charlie Smith, Chief Transformation Officer
Jane Martin, MD Business Services and Advice
Iain Scott, Chief Financial Officer
Carolyn Stewart, MD People Services
Linda Hanna, MD Scottish Economic Development
Paul Lewis, MD International Economic Development
Kevin Quinlan, Scottish Government
Karen Hannah, Corporate Support

1. STANDING ITEMS

1.1 MINUTES OF THE BOARD MEETING HELD ON 22 FEBRUARY 2019 – SE(M)310

The Minutes of the previous meeting were approved subject to one minor amendment.

1.2 MATTERS ARISING - SE(310)(MA)

The Matters Arising were reviewed.

1.3 BOARD COMMITTEE UPDATES

SE Board Audit & Risk committee meeting held on 17 April 2019 – Verbal

Carmel Teusner provided a summary of discussions from the Audit and Risk Committee meeting held on 17 April, which included: an update on contract management and the new end to end grants model; reports from Wylie and Bisset and Audit Scotland; the Internal Audit progress report and Future Audit Plan and an update on progress of the Certificate of Assurance process and Risk Management.

1.4 CHAIR'S REPORT

- **Board Register of interests Annual Review – SE(19)17** Willie Mackie reminded members that their updated Registers of Interest should be signed and stressed the importance of reporting changes to their Registers within one month of the change.

Two Enterprise and Skills Board meetings had been held since the last meeting which focused on alignment of agency Business Plans. Willie commended the Chief Executive and Executive Leadership Team for the work involved in developing SE's Business Plan.

Willie had also attended two meetings with the Chairs of the agencies, advising that these sessions had been extremely beneficial with very open and transparent discussions. Further meetings had been scheduled. Opportunities for more Board to Board interaction was being pursued. A suggestion was raised for a potential buddy system with Board members from across the agencies around common areas of interest/opportunities.

1.5 CHIEF EXECUTIVE'S REPORT

Steve Dunlop provided an update on the SE Chair recruitment process, advising that interviews were scheduled for 3 May.

Steve highlighted the recent success of the MIPIM which had been a great example of a Team Scotland approach aimed at increasing inward investment into Scotland.

Carolyn Stewart updated the Board on progress of the restructure.

Jane Martin provided an update on the development of the single digital entry point, advising that a Business Support Partnership had been established to co-design and drive forward this work. A Target Operating Model for the overall delivery system had been developed and would come to a future Board meeting. A prototype of the digital entry point would be tested the following week.

Steve provided a brief update on progress with the Scottish National Investment Bank and the South of Scotland agency.

SE had joined the Ayrshire Growth deal which would deliver projects across Ayrshire. Work was also progressing with the Glasgow, Edinburgh and Aberdeen growth deals and Steve indicated the increased capacity required to support the regional deals.

Steve commended the team working on the Prepare for Brexit campaign for their efforts both internally and externally. Kevin Quinlan updated on Scottish Government's focus in this area.

Charlie Smith highlighted the success of the Scotland is Open (Europe) Campaign which aimed to raise awareness of Scotland in the wake of Brexit. A video was published across digital channels which reached more than 20m people and saw the highest social media engagement rates recorded. The long-term approach would use forensic analysis to target markets and would use established assets and networks to pursue opportunities.

The Michelin-Scotland Programme had progressed significantly, and a paper would be brought to the Board in May/June, seeking approval for the proposal.

Steve advised that Scottish Government had confirmed that the budget announcement would be made on 7 May, which may impact on the publication of SE's Strategic Framework.

Kevin Quinlan provided an overview of the work of the new unit established to focus on exporting. The key aim of the unit was to internationalise the economy with exporting being a specific area of priority.

Douglas Colquhoun and Linda Murray joined the meeting for the following items:

1.6 FINANCE & PERFORMANCE REPORT AS AT END OF MARCH 2019 – SE(19)13

Douglas Colquhoun presented this paper which provided an update on the anticipated outturn position for 2018/19 and information on the timetable for finalising the 2018/19 Annual Accounts. It was highlighted that the final cash outturn position would not be established until the consolidated group accounts had been finalised in late May.

The overall projected under-spend totalled £1.9m. Douglas provided a summary of the main changes which contributed to the final position since the previous report in February. Of note was the significant increase in Financial Transaction spend which totalled £43m. Douglas highlighted, however, that with the absence of a separate Repayment Budget, the position would result in a reported underspend of £1.5m. Douglas reported the latest position on accruals, advising that there was confidence that the position would be close to meeting the year end forecasts.

Douglas provided an overview of the key dates for finalising the Annual Accounts, noting the completion of the draft group accounts on 22 May, the audit clearance meeting with Audit Scotland on 14 June and submission to the Audit & Risk Committee on 24 June for approval prior to the Board meeting on 28 June.

The Chair commended the team for their efforts to date to achieve the current budget position.

1.7 PERFORMANCE REPORT FOR PERIOD ENDED MARCH 2019 – SE(19)14

Linda Murray presented the estimated year-end performance for 2018/19, highlighting that the results were subject to year-end validation. However, indications showed that this had been a strong performance with five out of six of the published targets met, with three exceeding the target range. One target, *Growth funding raised by supported companies* had not been met. The paper had captured a number of accountable highlights within each area of the Business Plan.

Linda highlighted the success achieved despite the challenges throughout the year with Brexit and the general uncertainty which was anticipated to continue in the coming years and which may have an impact on targets going forward.

A breakdown of the Inclusive and Sustainable Economic Growth Measures was also provided, with two measures exceeding the target range: *number of companies developing their leadership* and *planned efficiency improvements by supported companies and organisations*. The figures for the *jobs created by account managed companies* would be available the following month and Linda highlighted that work was progressing to resolve the GDPR issues to reporting on the number of account managed companies which are women-led.

The Chair thanked Linda for the update on progress.

2 UPDATES

2.1 BREXIT UPDATE

Linda provided a brief update on current activity, advising that the Scottish Government had stood down SGoRR and the Resilience Hubs on the condition that these could be reinstated quickly when required. Internally, mobilisation plans would also be stood down. Mr McKay had written to agencies thanking them for the work done to date and asking them to begin to think about the challenges and opportunities in a post-Brexit environment. Work would continue on the Prepare for Brexit Campaign, focusing on those companies who had not begun any preparation for Brexit and focus groups would be held to better understand their motivation. To date, the Prepare for Brexit website had received 62,000 visitors with 4,000 self assessments being completed. Activity had reduced following 29 March. Over 1,000 applications had been downloaded for the Business Support grant which had been established in March.

2.2 SOUTH OF SCOTLAND UPDATE

Linda Hanna provided an update on the Borderlands deal, advising that a paper would be brought to the next Board meeting.

2.3 SCOTTISH NATIONAL INVESTMENT BANK

This had been covered within the Chief Executive's report earlier in the meeting.

3 PAPERS FOR INFORMATION

The following Information papers were noted.

Notification of New Interest	SE(19)18
Overview of SE's R&D grant acceptances FY 2019/19	SE(19)19
Global, UK and Scottish Economic Commentary	SE(19)20
Scottish Enterprise Health, Safety and Wellbeing	SE(19)21
Quarterly Board Report – April 2019	
Approvals Within Delegated Authority	SE(19)22
Testimonials & Complaints	SE(19)23
Forward Events and Summary of Events in past month	SE(19)24

4 ANY OTHER BUSINESS

There was no further business.