Scottish Enterprise

**SCOTTISH ENTERPRISE BOARD** **SE(M)360**

# MINUTES OF THE SCOTTISH ENTERPRISE BOARD HELD ON FRIDAY 24 APRIL 2026 IN APEX HOUSE, EDINBURGH

**Present:**

Professor Sir Jim McDonald
Adrian Gillespie Chief Executive
Professor Gillian Murray
Professor Richard Williams
Graham Soutar
Professor Stephen McArthur
Jacqui Gale
Cameron Murray
Greig Rooney
Luke Logan
Stuart Patrick

**In Attendance:**

Jane Martin, MD, Innovation and Investment
Gill McNeill, Chief People Officer, People, Digital and Communications
Kerry Sharp, Chief Finance & Investment Officer
Reuben Aitken, MD, Energy Transition and International Operations
Rhona Allison, MD, Productivity and Business Growth
Colin Cook, Scottish Government
Richard Rollison, Scottish Government
Karen Hannah, Corporate Office

**Apologies:** Raymond O'Hare

The Chair welcomed everyone to the meeting, noting apologies from Raymond O'Hare. Conflicts of interest were sought and none declared.

## STANDING ITEMS:

**1. Minutes of the meeting held on 27 February 2026 - SE(M)359**

The Minutes of the previous meeting were approved as an accurate record.

**2. Matters Arising – SE(348)MA**

Matters arising in progress were noted.

**3. Board Committee Updates/Minutes**

**3.1 Board Urgent Approval Meeting, held 05 March 2026 – SEBUA(M)(26)02**

The Minutes were approved as an accurate record.

**3.2 Board Urgent Approval Meeting, held 13 March 2026 – SEBUA(M)(26)03**

The Minutes were approved as an accurate record.

**3.3 Audit & Risk Committee, held 26 March 2026 – SEBAC(M)(26)01**

The Minutes were noted. The Chair advised that following discussion with Graham and Adrian, Raymond O'Hare would be the Board sponsor for Cyber and Information.

## 4. Chair's Report

The Chair updated on discussions at recent meetings, including:

- **Scottish Energy Advisory Board (9 March):** which Adrian also attended. The meeting had strong representation from senior Industry representatives and consumer groups. The Board was taking a more strategic focus and Scottish Government confirmed its commitment to energy opportunities being captured in Scotland.
- **Meeting with the First Minister (9 March)**: Sir Jim and Adran provided the First Minister with an update on key economic challenges and opportunities and discussion also focused on financial flexibilities and Public Sector Reform (PSR). The First Minister reiterated his support for the role that Scottish Enterprise plays.
- **Meeting with Highlands and Islands Enterprise and South of Scotland Enterprise (19 March):** Sir Jim reflected on the positive relationship between the agencies and updated on the discussion which focused on PSR opportunities and a more collaborative approach to support across agencies for multi-region companies.

Sir Jim also advised that he had been asked to join the Defence Industry Joint Council, not as part of his role as Chair of Scottish Enterprise. The Chair was keen for SE to engage with this group.

The Chair also attended a meeting of the High Value Manufacturing Catapult Chairs the previous week and advised that Jane Martin was connected into the ongoing conversation with CPI.

Sir Jim also mentioned a meeting with the UKRI Programme Board for Energy. Jane was also well connected and due to provide a proposal for SE to be a strategic delivery partner.

A date for the first meeting of the Finance Strategy Short Life Working Group was being scheduled.

Sir Jim updated on venues for future Board Meetings in Prestwick, Aberdeen, Edinburgh Bioquarter and Dundee with opportunities to engage with stakeholders and partners.

### 4.1 Board Register of Interest Annual Review – SE(26)17

The Chair thanked all members for updating their Registers of Interest and this was approved, subject to an addition from Stuart Patrick.

## 5. Chief Executive's Report

Adrian updated that the team in the UAE (3 colleagues) were safe and home schooling continued. Daily updates from the team continued and they were now preparing for post-conflict.

As part of the Ambition 28 workforce redesign, 44 colleagues will leave via the Voluntary Exit program at the end of April. Adrian thanked the Executive Leadership Team and Leadership Team for the management of the process, recognising that this involved some difficult decisions. Focus now shifts to future structures following the election.

Recruitment was underway for the ELT MD role, following Jane's move into her regional remit. Interviews were scheduled for Wednesday 29 April and Adrian thanked Luke Logan for representing the Board as part of the selection process.

Following a successful recruitment process for the North East Director position, the role had been offered to the preferred candidate and a confirmation was awaited. This post will lead Scottish Enterprise's economic transition in the North East.

Adrian updated on a recent Cyber attack on the SE website on 9th April by a pro-Russian hacktivist group. This took the form of a Distributed Denial of Service (DDOS) attack where the website was maliciously flooded with traffic in order to crash it. The alert system worked well and resulted in blocking the traffic quickly to return the website to live. Police Scotland confirmed that the incident would be short-lived with no ongoing consequences (system or data loss), the silver and gold teams were involved, but it did not necessitate escalation to the Board. A lessons learned review was being undertaken.

SE colleagues had also experienced issues the previous week accessing systems due to bitlocker issues. A workaround was provided. Adrian noted that communication and response times could have been better.

Professor Williams advised that the university and college sector had experienced a significant number of attacks and ransomware in the past year.

Graham suggested that involvement of the Board in a business continuity exercise would be helpful.

Following Scottish Ministers' refusal of Planning Permission in Principle on 24 February 2026, Flamingo Land Limited (FL) has formally lodged an appeal to the Court of Session (submitted 31 March 2026). If successful, the project would be remitted back to Ministers for reconsideration. SE's stance remains consistent, the contract with FL is conditional, subject to planning to ensure due statutory process and community consultation, and SE continues to respect and rely on the outcome of the planning and legal processes when determining next steps.

Adrian advised that Edinburgh BioQuarter Mixed-Use Urban Neighbourhood pre-planning stage had commenced, with two community consultation events scheduled. The master planning application will be submitted later in the year. Sir Jim had met recently with Peter Mathieson who reiterated his ongoing support and enthusiasm.

Adrian had signed an MOU with Enterprise Singapore on 23 April, initially meeting with the Executive Chair in January. There were a great deal of common areas of focus in renewables, healthcare, pharma, tech and AI and this was a positive start to formalise the relationship.

Adrian updated on the recent US Accelerator, Food and Drink which ran from October 2025 to February 2026, with 15 companies supported through a structured blend of virtual market preparation, one-to-one consultancy and direct buyer engagement. Results included an estimated £40m plus in sales impact over three years and ROI of circa £800 generated for every £1 invested.

Adrian provided the following project/company updates:

**Chemify:** The SE Board approved capital expenditure of up to £6m, and R&D expenditure of up to £16m grant support, the project is predicted to create up to 300 jobs whilst safeguarding 100. UK Ministerial approval has been given for £6m Office for Life Sciences contribution. Chemify has begun spending on fit out and equipment at its new HQ and global R&D centre in the Health Innovation Hub, Glasgow. Draft grant contracts were expected to be issued to the company this month.

**Celtic Renewables:** Following SE Board approval in December 2025 for SE grant funding totalling £2.4m, progress was being made as planned. A key dependency was the acquisition of land and it was expected that a site would be secured in the coming months

**2 Sisters and Ryanair (PAML)** both formally accepted their grant offers which the Board approved in recent months. Adrian joined the First Minister, Deputy First Minister and Ryanair's CEO at Prestwick to announce the project, with SE's key role in securing the project reported widely in the media.

**Vestas:** Issued comms stating that they intended to build a nacelle factory in Scotland, with the potential to create over 400 new jobs. This did not represent a final investment decision, but is an important signal to the market that they are serious about setting up in Scotland. The team had been working with the company for a significant amount of time and work was ongoing to support their plans financially, concluding a property deal, and maximising the supply chain opportunities for Scotland.

**Auction Round 8:** the date is now known to be July 2026 and SE is working with partners to influence UK Government policy decisions for floating offshore wind (FLOW) ahead of July.

**ADL**: The company is consulting on a repositioning of its business in Scotland with potentially 115 jobs at risk. SE continues to work closely with the company to minimise the impact of this proposal and secure a long-term future of the business in Scotland.

**6. Finance Report as at end of March 2026 – SE(26)18**

Rachel Ducker joined the meeting to provide the Board with an early view on the anticipated outturn position for 2025/26 and the timetable for finalising the 2025/26 Annual Accounts. The paper also included a review of the year highlighting major movements on income and expenditure compared to the original business plan.

The final 2025/26 cash outturn can only be confirmed once the consolidated group accounts are finalised in late May. The paper therefore reflected projected income and expenditure based on the final March (P12) forecasts, adjusted for known changes.

Rachel advised that overallocation of £47.4m was made at the start of the year to maximise delivery of the pipeline whilst allowing for anticipated slippage in year.

Income was lower than the original plan due to movements across individual budgets, driven mainly by lower exit income, listed share disposals and loan receipts.

Expenditure was also lower than the original business plan. As expected with large and complex infrastructure projects and large grants, savings emerged as the year progressed where projects slowed or did not proceed as planned. The largest reductions related to large grants and a small number of major infrastructure projects. These reductions were partly offset by additional investment expenditure funded from CDEL due to lower FT income, and the earlier-than-planned recognition of IFRS 16 lease costs.

Early in the year, limited natural slippage and high levels of legal commitment required management action to bring the Resource budget back into balance and avoid overspend.

The overall position across funding streams was £3.7m underspend, reflective of year-end adjustments, with potential further adjustments as the accounts go through audit.

With the financial flexibilities, up to £3.0m of underspend can be carried forward for use in 2026/27, with more requested on an ad hoc basis.

The key dates in relation to the preparation of the Scottish Enterprise and subsidiary company accounts were outlined, with the final Accounts being presented to the Board in June.

In response to questions on timing of disposals and grant clawback on C-Del income, it was confirmed that external advice was taken in relation to sales. Clawback on C-Del was not typical, however, there were occasions where companies are unable to proceed with projects and funding is returned.

**6.1 Budget Planning 2026/27 – SE(26)24**

Rachel provided a brief update on the 2026/27 budget position based on the allocations recently approved by the Executive Leadership Team (ELT). A formal rolling budgeting process in 2026/27 was being introduced with an emphasis on quarterly and half year reviews to optimise budget allocations. Budgets for 2027/28 would also be modelled as part of the budget reviews.

The budget allocation for 2026-27 was £262.3m, representing a 3% reduction largely driven by reductions in business income (non-SG income) mainly reflecting market conditions and a reduced level of listed shares available to sell.

Over-allocations for 2026/27 were reduced reflecting: higher levels of legal commitments going into 2026/27, implying less natural slippage may occur; lack of slippage on RDEL in 2025/26 which required manual intervention; and, significantly reduced listed shares available to sell to act as a buffer should natural CDEL slippage fail to occur. In line with previous years, the income and expenditure positions will be closely monitored as well as legal commitments in-year and may need to take remedial action to ensure budgets remain balanced.

The Board discussed the impact on legal commitments in terms of delays. Adrian advised that activity such as feasibility studies were unable to be funded currently and advised that there was pressure on the capital budget. However, this was not at a stage where funding would not be found for transformative projects, advising that there are other funding sources available.

The Chair thanked Rachel for the update.

**7. Performance Report – SE(26)19**

Dinker Bhardwaj joined the meeting to present the Performance report, which provided detail on delivery across the organisation. The report was in a new format based on recent feedback.

On measures, five of the six published measures had met the target range. One measure, ‘Planned jobs’ had achieved 95% attainment, which was a good achievement in the challenging environment SE had to operate within.

An overview was provided on the sections of the report on Missions, Corporate Risks and Ambition 28. Dinker sought feedback on the format and content of the report.

The report was well received in the new format. The Board was interested to see further detail on the assessment and calculation of the measure ranges.

The Board discussed staff sentiment in the context of the scale of organisational change. Adrian advised that the Executive Team was reviewing the latest Peakon staff survey results, noting that some feedback reflected previous changes, including the move to a mission-led approach and concerns relating to defence policy. Gill noted that this reflected an ongoing culture journey rather than an issue of operational resilience or change delivery. Reuben advised that the team was disappointed that the planned jobs target had not been fully achieved.

The Chair advised that he would attend the forthcoming leadership conference with Adrian and would emphasise the Board's appreciation of the work being undertaken by colleagues.

Luke noted the persistent amber ratings within the mission dashboard. Dinker advised that the KPIs had been set at the outset of the missions and that some areas, including offshore wind, had experienced delays.

In response to a question from Graham on hydrogen, Adrian advised that the focus had shifted from smaller-scale projects towards opportunities where there was clearer current market demand.

**FOR DISCUSSION/APPROVAL:**

## 8. Update from Board Strategy Session – SE(26)20

Dinker presented the paper, which summarised the key themes, discussions and actions arising from the Board Strategy Session in February. The paper also set out a calendar of proposed deep-dive and strategic discussions for future Board meetings in advance of the strategy session later in the year.

The Board was asked to provide feedback on the proposed themes and actions and to approve the calendar.

The Board sought clarification on the role of Board sponsors in key strategic discussions. Adrian confirmed that sponsors would be involved in the preparation of relevant papers.

The Chair confirmed that the paper provided a good reflection of the discussion and noted that future Board agendas should be shaped to allow sufficient time for strategic and business discussion.

Greig referenced the discussion held on the importance of communications and strengthening SE's external voice, with the Board taking a more active role. Gill advised that she was undertaking a review of communications and would report back to the Board at a future meeting.

Graham noted that the emerging shift in language and confidence in SE should be reflected in future communications and narrative.

The Board also discussed themes emerging from political manifestos. The Chair confirmed that the Board would be kept sighted on related implications and opportunities.

## 9. SE Operating Plan 2026-27 – SE(26)21

Dinker presented the draft Scottish Enterprise Operating Plan (2026-27) for initial consideration and feedback from the Board prior to approval of the final plan in June.

The draft operating plan set out how SE will deliver against the long-term ambition set out in SE's Strategic Plan 'Our Focus on Economic Transformation', over the next year. Outcome ranges for 2026-27 were still being developed and proposed target ranges will be tabled for discussion and feedback with final agreed ranges included in the final plan.

Board members were asked to review the draft plan, in particular the areas of mission focus, and offer any feedback to consider as the final plan is prepared.

The Board discussed the draft Operating Plan and provided feedback on the clarity of the narrative, including how international activity, partnership working, stakeholder engagement and regional priorities were reflected. Members noted the importance of ensuring that the plan clearly articulated SE's role, the value it brings to Scotland's economy and how activity across regions and sectors would be recognisable to stakeholders.

Members highlighted the need for stronger language on SE's external proposition, including the multiplier effect of SE investment and the wider return generated for Scotland. The Board also emphasised the importance of explaining the "so what" of SE's work in a way that was relatable both internally and externally, while recognising the need for alignment with Scottish Government priorities.

The Board discussed the importance of specificity in relation to regional activity and sector priorities, including the need to better understand cluster maps and key partners. Members noted that effective partnership working would be dependent on mutual trust and that the Operating Plan should reflect SE's ambition to work collaboratively while clearly setting out its role.

It was noted that in the context of the forthcoming election, there was an opportunity to test whether the balance of activity remained appropriate. The Board also expressed an appetite for innovative approaches in the final plan.

Dinker noted the feedback and confirmed that the revised draft would seek to strike the right balance. The Board's comments on trust, relationships, regional clarity, return on investment and communications would be reflected in the next iteration.

**Measures**

The Board discussed the proposed approach to measures, including the development of longer-term, three-year targets. Dinker noted that, while the mission-led approach supported delivery of SE's strategic objectives, this did not always translate directly into jobs, and that lower targets were being considered for the next year as part of work to determine appropriate three-year ranges.

Members sought assurance on the level of confidence that there would be a substantial uplift over the following two to three years, noting that any reduction in target should be considered in the context of what had already been achieved.

The Board noted the importance of presenting strategic options clearly and maintaining agility, given the uncertainties expected over the coming months.

**10. SE Investment Strategy – SE(26)22**

Derek Shaw joined the meeting to present the proposed evolution of SE's investment strategy, outlining how the approach will adapt to a more mature risk capital market and a larger, more complex investment portfolio, while setting out the practical changes needed to sharpen SE's focus on scale, impact, value creation and financial returns.

Derek outlined SE's work in the early-stage investment market over the past 20 years, operating a co-investment model which has delivered significant impact.

The rationale for change was outlined, including, the matured investment ecosystem in Scotland, with a broader base of investors now active in the market; continued early-stage market failures and an emerging new-to-equity gap;  the material shift in SE's own operating context managing a large and complex portfolio with investment activity increasingly characterised by volume—around 80% of which are follow-ons—stretching capital and internal capacity across a wide range of businesses and reducing SE's ability to prioritise resources where they can deliver the greatest impact.

The revised strategy would apply greater selectivity, concentration and discipline across the investment lifecycle, and focusing investment activity on companies with the strongest ambition, capability and market opportunity to scale from Scotland, alongside experienced investors who can support that journey and deliver meaningful economic and financial returns.

The Board discussed the proposed approach, including the importance of identifying the right talent, strategic opportunities and scale-up potential within the ecosystem. Members noted that support for companies should be considered in the round, including SE's wider role beyond investment.

Members reflected on SE's long-standing role in early-stage investment and the extent to which changes in the venture capital market had influenced the company base and scale-up outcomes. Derek advised that the revised strategy would have implications for some follow-on funding decisions and co-investor relationships, but would allow SE to better prioritise activity where it could have greatest impact.

Adrian noted the need to increase the number of companies scaling from Scotland and advised that this would form part of the narrative in future discussions with the First Minister, Deputy First Minister and relevant Cabinet Secretaries.

Members asked about implementation timing, the treatment of the existing pipeline and whether there were opportunities to realise value from SE's portfolio, including through bundling assets. Derek advised that options had been considered and discounted. He confirmed that analysis of the pipeline over the previous two years indicated an expected reduction and that one-to-one discussions with co-investment partners would take place to support implementation by quarter two.

The Board recognised that the revised strategy represented a significant shift and would need to be positioned carefully with companies and investors. Derek advised that SE would continue to support early-stage companies where appropriate and that the approach had been socialised with a number of investor partners.

The Chair thanked Derek for presenting the revised approach. The Board endorsed the strategy.

**11. Intelligent Growth Solutions – SE(26)23**

Derek Shaw and Judy Mackie joined the meeting to seek approval for expenditure of £140,181 in Convertible Loan Notes ('CLN') as part of c£10M funding round into Intelligent Growth Solutions Ltd (IGS) under Section(s) 8(1)b(ii) of the Enterprise and New Towns (Scotland) Act 1990. This would bring SE's cumulative equity and CLN investment in the Company to £8,196,807 (£8,220,218 including equity from accrued loan interest).

Derek explained that this was a follow on investment into the company to protect SE's existing investment.

SE is now being offered the opportunity to participate through a modest new investment on the same terms. The rationale for doing so is primarily commercial to protect SE's existing investment position in a downside scenario while maintaining a credible route to potential financial return. The additional £140k investment from SE is not required by the company to fund operations or runway, as the £10m funding round was fully subscribed by existing shareholders.

The Board highlighted the value of the wider support that SE brings, not only financial. Judy advised that the Chair and Board of the company were very aware and appreciative of the value that SE brings.

The Chair thanked Derek and Judy for presenting the further investment opportunity and recommended that further consideration of how SE promotes itself in terms of wider benefits and value it can bring in the new co-investment approach.

The investment was approved.

**FOR INFORMATION:**

The Board noted the following information papers:

**12. Notification of Interest – SE(26)26**
**13. Economic Commentary – SE(26)27**
**14. Key Performance Facts – SE(26)28**
**15. Approvals Within Delegated Authority – SE(26)29**
**16. Testimonials & Complaints – SE(26)30**
**17. CEO & Chair Summary of Key Activity – SE(26)25**
**18. Holyrood Election – Manifestos – SE(26)31**

**19. AOB**

Cameron noted the addition of the paper references in the footer for each paper. He suggested that an organogram would be helpful for new Board Members. It was agreed this would be added into the Induction folder on Admincontrol.