

ECONOMY AND FAIR WORK COMMITTEE

25th Meeting, 2023 (Session 6), Wednesday 4 October 2023

Pre-budget scrutiny 2024-25

Purpose

1. Subject committees' budget scrutiny is a year-round process, allowing an evidence basis on the impact of spending in the relevant portfolio areas to be built up over time. Committees are encouraged to embed budget scrutiny considerations throughout the year.
2. At least six weeks prior to the Scottish Government publishing its budget for the coming year, Committees are expected to write setting out their views on future spending priorities to enable them to be taken account of.
3. Following today's evidence session, in the private discussion, members will wish to reflect on evidence taken throughout the year as part of previous inquiry and scrutiny sessions. A SPICe paper has been prepared to support that discussion.
4. Today's evidence session will focus on Scotland's three enterprise agencies: [Scottish Enterprise](#), [Highlands and Islands Enterprise](#), and [South of Scotland Enterprise](#).
5. Each enterprise agency has provided written a submission, these can be found at **Annexe A**.

Witnesses

6. The Committee will hear from—
 - Adrian Gillespie, Chief Executive; and Alan Maitland, Head of Finance, Management Accounting, Scottish Enterprise;
 - Stuart Black, Chief Executive; and Nick Kenton, Director of Finance and Corporate Services, Highlands and Islands Enterprise; and
 - Jane Morrison-Ross, Chief Executive; and Anthony Daye, Director of Finance and Corporate Resources, South of Scotland Enterprise.

Next Steps

7. Following today's evidence session, the Committee will consider the evidence heard and issues to be included in the pre-budget letter to the Cabinet Secretary. A draft letter will be prepared for consideration by the Committee at its next meeting (after recess).

**Committee Clerking Team
29 September 2023**

Written submissions from the enterprise agencies

Scottish Enterprise Economy and Fair Work Committee, October 2023

Scottish Enterprise (SE) is Scotland's national economic development agency and has been enabling Scotland's economy to scale and grow for over 30 years. We have achieved a great deal in that time - helped secure record levels of investment to Scotland, played a catalytic role in growing Scotland's risk capital market to the point where only the 'golden triangle' of London, the southeast and east of England perform better, built world-class facilities and shaped new market opportunities in areas such as data science and space. We have supported entrepreneurs and businesses to grow and expand into international markets and encouraged more companies to invest in their most important asset, their people.

The economy has evolved considerably over those years and has faced challenges, particularly with the Covid pandemic and the illegal invasion of Ukraine, and the pace of change is accelerating. Organisations are facing the need to adapt to climate change, the rising cost of doing business, and significant skills shortages. Meanwhile, emerging technologies with massive disruptive potential, such as artificial intelligence, and growing inequalities in society are requiring businesses to think, prepare and act differently.

The coming decade will be a defining time for our economy. The energy transition is well underway, and there is a shared determination to ensure that Scotland takes a leading role, securing the economic and other benefits that this economic transformation presents in areas such as offshore wind and clean hydrogen production.

SE has tackled persistent challenges across innovation, investment, and internationalisation over many years, both domestically and internationally, through the deep expertise, accumulated knowledge, and extensive networks of our colleagues.

In the last five years we have:

- supported the creation or safeguarding of 70,000 jobs, leading to an estimated £630m of income tax over the same period.
- provided £275m of risk capital investment to high growth potential businesses, leveraging in a further £1bn from other sources.
- delivered £85m of capital investment grant support to businesses, leveraging a further £410m from other sources.
- supported businesses with export projects that could generate £6.3bn export sales.
- Maintained Scotland's position as the most popular UK location outside London for inward investment and grown our attractiveness to investors over that period.

Responding to the accelerating pace of change, and the multiple challenges facing the global economy, SE is becoming ever more sharply focused on those areas that will drive an improvement in Scotland's economic performance and contribute to the ambitions of the National Strategy for Economic Transformation (NSET). By concentrating our effort, we will play to our strengths and be increasingly agile in identifying and delivering on transformational projects for the Scottish economy.

Public Service Reform and Increased Efficiency

As the national economic development agency, we have longstanding operational relationships with a wide array of public sector partners, including providing pan-Scotland services alongside the regional enterprise agencies, HIE and SOSE, and Business Gateway. Examples of where SE delivers on a pan-Scotland basis include the single business enquiry contact centre provided by SE, international support through our international arm Scottish Development International, major grant programmes such as RSA, manufacturing support through SMAS, and the financial readiness service.

During and after the pandemic we built upon our collaboration with public sector partners to accelerate the deployment of the Find Business Support website as a single location for all public business support and the Business Support Partnership, to bring all the public sector support system together to better achieve the ambitions of NSET and identify efficiencies.

In response to the public service reform agenda, we have been looking at both our operations and current approaches, seeking potential opportunities for streamlining, deploying resources most impactfully, and more efficiently. Our approach during the pandemic, in accelerating changes already in motion, presented an opportunity for greater flexibility in how and where we do our work. This enabled us to consolidate our estate, reducing the associated cost and carbon footprint. In addition to closing three smaller offices, we also sought opportunities for sub-leasing and shared workspaces with partners, including for example, taking space at the Halo project in Kilmarnock.

SE already participates in shared service arrangements with a range of public sector partners covering ICT provision and internal audit services. We have also had early conversations across the enterprise agencies to identify potential opportunities for greater interagency collaboration on shared approaches to common functions.

We have also been diligent in pursuing income to supplement our grant-in-aid from Scottish Government, bringing in £75.1m in 22/23 alone. This brought our total income for the last five years to just under £600m. Challenging conditions, both economic and otherwise, mean it is progressively more difficult to bring in this sort of income but we will, through the deep expertise of our staff, maximise all sources of revenue to direct towards economic development. We will also target opportunities to attract green finance and other private sector investment to scale up activities.

2022/23 Operating Year

The 2022/23 operating year was the first full post-Covid year of activity. SE supported around 1250 projects around the country despite continued economic challenges, both nationally and internationally, and tight public finances. Through these projects, we made a considerable impact on the Scottish economy.

A particular company highlight was Mangata Networks choosing Scotland as the location for its global R&D activities as well as satellite manufacturing, space systems and core network operations, following SE support. This development is expected to create up to 575 jobs at their operations hub at the Prestwick International Aerospace Park.

Other highlights in 2022/23 include:

- 2022 set a new record for Scotland's equity risk capital market, with £953m raised across 407 deals. This placed Scotland as the next best performing market after the three regions making up the Golden Triangle. A recent report from Beauhurst highlighted that SE is the second biggest UK investor in spinouts in the UK (behind growth fund managers Parkwalk) and is the third most active investor overall.
- During 2022/23 SE transacted 138 deals totalling £58.0 million into 106 companies, leveraging £206m of private investment. 20% of these deals were for £2m+, illustrating the growing pipeline of companies in SE's investment portfolio with scaling potential.
- SE was a founding partner in the creation of the Medicines Manufacturing Innovation Centre (MMIC), alongside Innovate UK and the private sector, which opened in 2023, the first facility in the Advanced Manufacturing Innovation District Scotland (AMIDS). MMIC will bring world-leading science and technology expertise under one roof to help accelerate state-of-the-art solutions to some of the biggest challenges in medicines development and manufacturing.
- SE committed £2m to begin construction of Scotland's first Energy Incubator and Scale Up Hub (EISH), the anchor facility for the Energy Transition Zone (ETZ) Innovation Campus. The EISH will provide a base for green energy start-ups and existing businesses looking to pivot their expertise towards the net zero transition and will be the largest dedicated energy transition complex in Scotland. ETZ is a 10-year, £215 million programme to build on the region's energy sector expertise and business base creating over 12,000 jobs.

We expect that our activity in 2022/23 could, over the next five years:

- Create and safeguard 25k-30k jobs.
- Generate £3.8-£4.8bn wage income for families in Scotland.
- Generate £525m - £650m in Scottish income tax.

2023/24 Operating Year and Beyond

We will publish our new three-year corporate plan in November which will have a much greater focus on those areas where we can best contribute to the NSET. More specifically, it will focus on energy transition, scaling innovation and increasing productivity through capital investment.

This will create more quality jobs, raise productivity levels and wages, while protecting the environment. It will also increase international sales, enable more products to be manufactured in Scotland, attract higher levels of inward investment, support more scale ups, and reduce carbon emissions. Achieving this will require even greater levels of collaboration and of private sector investment, building and expanding on our track record of £2bn in co-investment capital over the last 20 years.

The way in which we work with companies will change. In recent years, we have offered a mix of financial support to companies (from grants to loans), using our experience of loan funding through growth investments, moving away from offering a high volume of smaller grants to businesses. We have also identified and implemented efficiencies in delivery, focusing more on delivering cohort-based services and making better use of digital platforms. Our digital offer accelerated rapidly during the pandemic, and we are considering how best to embed these approaches across a range of services, increasing the efficiency of our delivery as well as improving accessibility.

We will use our networks, insights, foresighting and experience of what works to secure and deliver transformative projects across Scotland. We will use our economic intelligence, connections and learning to create and share insights. Through our global SDI footprint, alongside the GlobalScot network and Scotland Europa, we will identify opportunities for businesses and further Scotland’s international reputation. This includes collaboration in innovation and R&D through continued support for Scotland’s participation in Horizon Europe.

We will work with global thought leaders and form productive collaborations with national and international partners to stimulate learning, creativity and innovation which we will channel back into our development work. We will also strengthen our approach to identifying and engaging with external sources of finance to help enable our ambitions.

The measures and ranges determined for the current financial year are noted in the table below and are based on the financial resources and expertise we can bring to bear, the economic environment and identified opportunities, our existing pipeline of projects we expect to support during this year, and the performance of previous years.

2023-24 SE outcome measures		
	Range bottom	Range top
Planned jobs paying at least the Real Living Wage	13,000	15,000
Planned innovation investment	£300m	£450m
Planned capital investment	£0.7bn	£1.0bn
Planned international exports	£1.4bn	£2.0bn
Growth funding raised by business	£320m	£345m
Estimated CO2e savings (tonnes)	350,000	450,000

These measures are fully aligned to our ambitions to drive innovation, investment and internationalisation and these will remain critical as we adopt our new strategic areas of focus outlined above. Part of the work in developing those focus areas is understanding what success will look like and this will inform our milestones and measures in future operating years.

These have been challenging years for the economy, and many of those challenges remain. Simultaneously, the finances available to SE, as with the entire public sector, are constrained. It is therefore essential that we, as Scotland’s national economic development agency, are ever more focused on where we can deliver the greatest impact in realising the transformation that NSET seeks to achieve, resulting in a greener, more successful wellbeing economy for all of Scotland. Our new plan delivers on that focus and puts us in the best position to support Scotland’s economy.

SCOTTISH PARLIAMENT ECONOMY AND FAIR WORK COMMITTEE

4 October 2023

Written submission
Highlands and Islands Enterprise



4 October 2023

Written submission from Highlands and Islands Enterprise

1 Purpose of this document

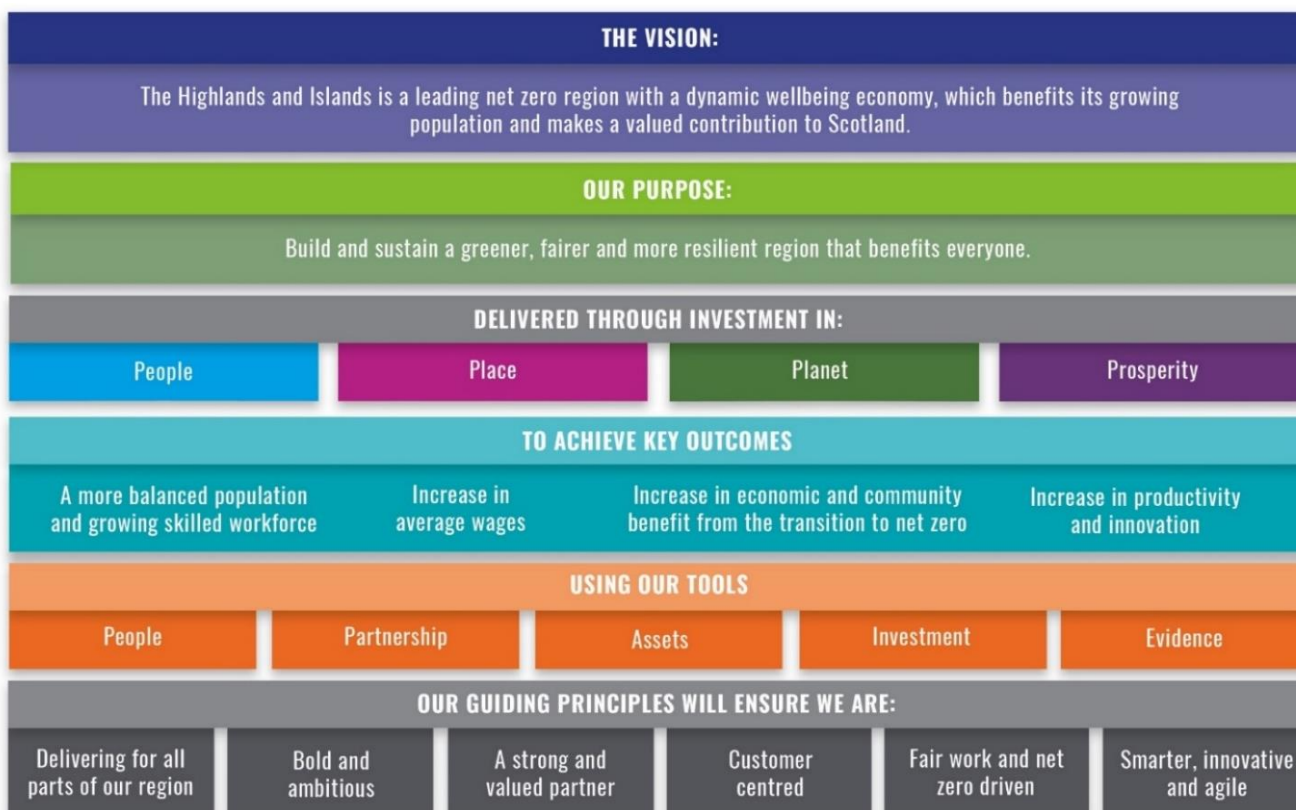
Highlands and Islands Enterprise welcomes the opportunity to provide evidence to the Economy and Fair Work Committee and to take part in discussions to inform pre-budget scrutiny.

In this document, we provide a short summary of our new, five-year strategy, along with draft performance out-turns for the 2022/23 financial year. The full strategy is available in English and Gaelic on our website at hie.co.uk/strategy while the out-turns will be included in our next annual report and accounts. These are currently being audited for publication and laying in the Scottish Parliament by the end of October 2023.

We hope this information will be helpful to the Committee and look forward to addressing points arising when we meet in person on 4 October 2023.

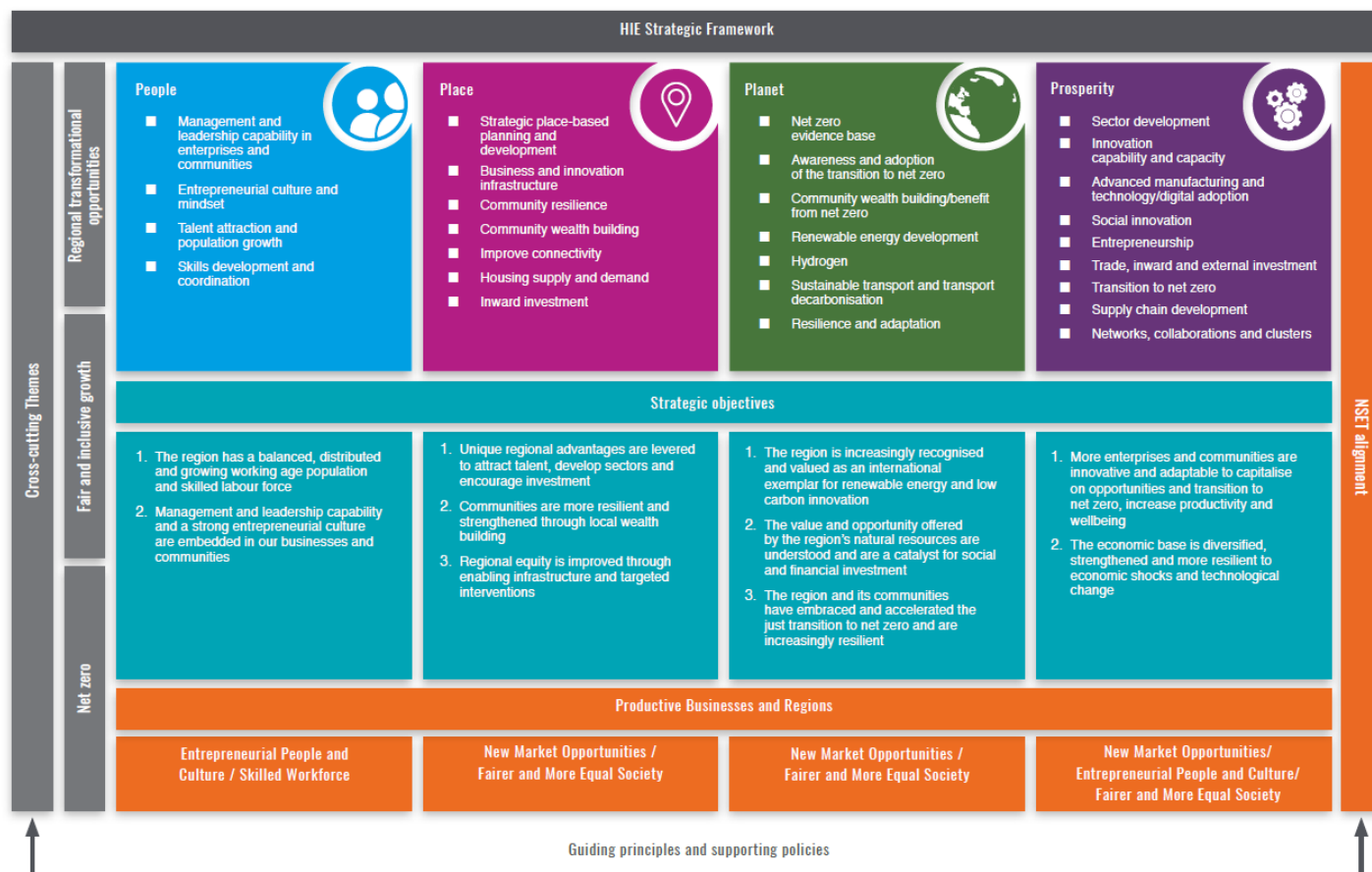
2 Our strategy 2023-28

Published in August 2023, HIE’s new strategy sets out a clear vision for the region and direction for HIE for the next five years and illustrates how we will contribute to the delivery of the National Strategy for Economic Transformation.



We will deliver through focusing on four pillars: **People, Place, Planet, Prosperity**.

The cross-cutting themes of **net zero, fair and inclusive growth, and regional transformational opportunities** run through our framework and represent key strategic drivers.



Once-in-a-generation opportunities extend across the region and are at the forefront of sectors that are vital to transforming Scotland's economy such as energy, life sciences and space. **More traditional sectors** such as tourism, food and drink and creative industries have significant potential to innovate, evolve and grow ensuring their long-term contribution to the regional economy.

Capitalising on these opportunities will be vital to our ambition to deliver for each and every part of our region. We will tackle poverty, inequalities and inclusive growth through growing a **wellbeing economy and accelerating community wealth building**. As an agency whose remit has encompassed both economic and community development over several decades, we are experienced in enabling local community organisations across the Highlands and Islands to own and develop assets that provide services and generate income that improved resilience and sustainability. Community wealth building can drive new business models and create new opportunities for **increasing community benefit**.

Retaining and attracting **young people** to the region through investing in these opportunities, supporting young entrepreneurs, graduate placements and working with partners to deliver population initiatives is key.

We recognise that businesses and communities are still impacted by the lingering effects of the pandemic, Brexit and cost increases. Transitioning to net zero, fair work and innovation will be key to **building resilience and sustainability**.

Infrastructure such as housing, transport, education and digital alongside planning and delivering **skills and training** will be critical areas of partnership working to achieve the ambitions and address the challenges and opportunities set out in our strategy. These can only be accomplished through collaborative working, involving **partnership** with central and local government and across the private, public and third sectors.

HIE is **committed to being a valued partner** to all those whose actions play a positive part in advancing economic and community development across the Highlands and Islands. We will maximise our resources including the experience, expertise and strong local knowledge of our staff, our extensive property assets, our investment and our evidence base to deliver our Strategy and be an advocate for our region.

3 Our performance in 2022/23

Across the Highlands and Islands, it looks likely that 2022-23 will be remembered as a year of contrasts, when businesses and communities were faced with great economic opportunities as well as severe challenges.

It has always been a key characteristic of Highlands and Islands Enterprise to balance our approach so that we are effective both in tackling the difficulties facing the region and seeking to maximise the benefits that can be generated from new and positive developments. In doing so, we aim not only to address the region's present circumstances, but also to lay the groundwork essential to deliver future prosperity. That was certainly true in 2022/23.

Regular engagement with businesses and communities underscored the impacts that many were feeling from economic challenges across our region, as well as other parts of the country. These included face-to-face events in Moray and Shetland as well as online sessions with all other six local areas within our region. The cost of living crisis affected everyone, particularly the large increases experienced in energy and food costs throughout the year. Skills and labour shortages were constraining business growth in many areas, and there were significant problems around the supply of housing and transport provision, including some vital ferry services.

All of these are issues that HIE is currently alert to, and working to address with partners in government and the public, private and third sectors.

It is also true that the Highlands and Islands stands to benefit immensely from a range of impressive opportunities that are emerging at present. New offshore wind developments, wider opportunities in the marine economy, the growth of the international space sector and the emphasis on just transition to net zero greenhouse gas emissions all present enormous potential benefits for our region.

At the same time, our tourism and food and drink sectors are continuing to contribute significantly to the national economy and showcasing Scotland on the international stage.












Against this background, it is good to be able to report a strong performance in 2022/23 by Highlands and Islands Enterprise and the hundreds of businesses and communities we support from Argyll to Shetland and from the Outer Hebrides to Moray. [See table below.]

Working together, we succeeded in creating or retaining over 1,400 jobs, a figure well above target. Significantly, almost 160 of these were in fragile areas.

Business turnover by clients rose by more than £680m, more than treble the target figure, and international sales supported by HIE investment increased by almost £50m, comfortably within our target range.

There were positive outcomes too for the numbers of green jobs that we supported, capital asset investment and, significantly, green capital asset investment.

Only the out-turn for increase in turnover in the social economy fell slightly short, at 94% of the target figure, as communities focused on resilience. We will work to address this in the coming year.

Primary Outcome Measure	Target Range 2022-23	Out-turn 2022-23	% of lower bound achieved	Out-turn 2021-22
Increase in business turnover (£)	200m - 220m	682.7M	 341%	623.9M
Increase in international sales (£)	45m - 55m	48.8M	 108%	284.1M
Increase in turnover in the social economy (£)	9m - 11m	8.5M	 94%	9.2M
No. of jobs supported (FTEs)	1,000 - 1,200	1,424 (1,109 created, 315 retained)	 142%	1,487 (1,327 created, 160 retained)
No. of jobs supported in Fragile Areas (FTEs)	150 - 200	159 (120 created, 39 retained)	 106%	138 (131 created, 7 retained)
No. of green jobs supported (FTEs)	150 - 180	639 (581 created, 58 retained)	 426%	82 (76 created, 6 retained)
No. of green jobs supported in Fragile Areas (FTEs)	n/a	30 (all created)		11 (all created)
Average wage of jobs supported (£/FTE)	29,000	35,581	 123%	26,160
Capital asset investment (£)	80m - 90m	116.7M	 146%	76.9M
Green capital asset investment (£)	12m - 14m	65.7M	 548%	3.2M
External Investment secured (£)	35m - 45m	35M	 100%	32M
External green investment secured (£)	5m - 6.5m	15.1M	 302%	0.7M

4 Looking ahead

As we roll out actions arising from our new, five-year strategy across the region, we will continue to act with ambition and commitment to deliver community and economic growth in all areas, mindful of our responsibility to make the most of the opportunities we currently enjoy to build a prosperous, sustainable and dynamic wellbeing economy.

In response to a request from the Scottish Government, we have estimated that the tax revenue generated by three years of HIE's activities is roughly two and a half times its budget, when considered across a 10-year timeframe. The vast majority of this revenue results from jobs supported by HIE's activities. This provides a clear demonstration not only of the return on investment from economic development, but also the role that HIE is capable of playing in delivering the Programme for Government priorities to grow the economy and tackle poverty.

Highlands and Islands Enterprise
27 September 2023

**Scottish Parliament Economy and Fair Work Committee
Meeting of Wednesday 4 October 2023**



Written Submission by South of Scotland Enterprise

Introduction

South of Scotland Enterprise (SOSE) welcomes the opportunity to provide evidence to inform the pre-budget scrutiny.

We are now into our fourth year of operation, established by the South of Scotland Enterprise Act 2019, and beginning operation on 1 April 2020.

We bring a fresh and regionally focussed approach to economic and community development in and for the South of Scotland. Covering Dumfries and Galloway and the Scottish Borders, our focus as a public body is to help people, communities and enterprises in the South of Scotland to thrive, grow and fulfil their potential. We are an agency focused on addressing the distinct situation of our mainly rural region in the South of Scotland.

We began operation during the COVID19 pandemic and we are proud to have played our part in supporting many businesses and communities in these challenging times - providing expertise, mentoring and investment to help all in our region to think bigger and realise their full potential.

We continue to navigate challenging economic conditions, but we believe our region has a positive future, driven by creativity, resilience and innovative thinking of our enterprises and communities. Our partnerships are stronger than ever and key to creating the change that our people want to see in the South of Scotland.

This written submission provides an overview of our focus and delivery, before outlining our first ever Five-Year Plan.

Our Delivery in 2022/23

Across the last year, we have worked with a wide range of enterprises, from the private sector, social enterprise and with community groups to collaboratively drive forward the ambitions of our region.

We have worked with 1,100 enterprises across all our funding programmes, providing tailored support and advice. We have invested £10.5 million into 139 enterprises, which has safeguarded 591 jobs, whilst creating a further 562. We have invested £5.4 million in strategic activities to transform our region. We supported 63 organisations to navigate the energy and cost of living crisis last winter, alongside partners like Business Energy Scotland.

We are leading the way in many areas. This year we have been the first region to launch a Net Zero Investment Guide, showcasing the opportunity of Net Zero and Natural Capital projects within our region to investors and helping the South of Scotland become the UK's first Net Zero region. As part of that journey, we have become a Silver-accredited Carbon Literate Organisation, to ensure that we can best support our clients on their own journeys.

SOSE was set up to be different, and we are proud that we have been able to be so. With our partners in the South of Scotland Regional Economic Partnership we are taking an active role in

our key regional challenges of Housing, Transport and Skills, building on the region's first ever Regional Economic Strategy. Ensuring there is suitable housing – of all types and tenures – is one of the key regional challenges facing the South of Scotland and we are exploring innovative approaches such as our pilot with Homes for Good, a first in rural Scotland.

Establishing the South as a place that embraces innovation is central to our vision. We have an innovative partnership agreement in place with Civtech and we are partnering with Innovation Centres. Through our landmark partnership with Zero Waste Scotland, we are working to accelerate circular economy ambitions in the South of Scotland and we have recently launched a new partnership with SRUC that will unlock the potential for the South's natural economy.

Working with others has been key to all we have done – building on our reputation as a region of firsts – to seize the big future economic opportunities, including those that come with transitioning our economy and society to Net Zero as well as building on the strong sectors that have been at the heart of our economy for many decades. One example of that is how we have worked with our key partners to develop and launch the first every South of Scotland Cycling Partnership Strategy.

As an organisation, we are clear on our ambition and focus with:

- Our Five Year strategic plan published with its six areas of focus – our six A's.
- A clear Operating Plan outlining what we are doing this year and complemented by new directorate plans.
- We are building our insight and understanding of the region – through a successful summer tour and regular business surveys.
- And ensuring that we can report on our impact through our performance measurement work.

We are making a difference to the region:

- With direct support to businesses and communities and creating the conditions for future success.
- We have launched the first Net Zero Investment Guide and Net Zero road map.
- We have launched funds to support enterprises accelerate to Net Zero, to support CreaTech and we will shortly launch our Cycling fund.
- We have launched the innovative Community Ambition Fund unlocking community potential and building future capacity.
- And we have pioneered the hugely innovative work on Community Wealth Building and Better Benefit.
- We have held a range of round tables on natural capital, on regenerative agriculture and on space – and we have our second hydrogen brokerage event coming soon.
- We are setting out the way forward working on diverse strategies – from screen to space and we have been recognised as the first Natural Capital Innovation Zone by the Deputy First Minister at the recent Convention of the South of Scotland.

We are doing this without losing focus on core business of:

- Assisting more than 1,100 communities and enterprises through our tailored support, programmes, advice and funding.
- Investing £16.1 million into 139 of the South's businesses and communities, safeguarding 591 jobs and creating 562 more.

We are establishing strong partnerships and working across the region, raising its profile:

- We launched our strategic partnership with SRUC focusing on the entrepreneurial campus and a carbon accelerator.
- We have new working relationships with both councils, our Business Gateway team in the Scottish Borders has gone from strength to strength and received recognition from the Scottish Government's Chief Entrepreneur Mark Logan, who fully endorsed the entrepreneurial road map. We are making progress with Dumfries and Galloway Council opening up conversations on Business Gateway there too.
- We are driving work to tackle the "grand challenges" facing the region – housing, transport and skills.
- We are currently chairing the South of Scotland Regional Economic Partnership and have introduced the new Deputy First Minister to the region at her first Convention of the South of Scotland.
- We have a South of Scotland Cycling Strategy, the new Coast 2 Coast cycling route and, of course, hosted the incredible UCI World Championships and received award of the UCI Bike Region Label.

Internally we are strengthening our management and engagement structure, whilst keeping the focus on creating a lean and efficient organisation:

- A new Senior Management Team working with the Leadership team to drive change.
- A cross-directorate communications team.
- Our first people and culture strategy.
- Successful audit and accounts.
- Ensuring a robust approach to our cyber security.
- Launching our new revitalised staff forum.
- Recruiting to our Youth Advisory Forum to ensure we hear from young people.
- Leading the way on piloting a four day working week.

Our Five Year Plan

In April 2023 we launched our first ever strategic action plan which sets out how we will work to deliver for the South of Scotland. Our Five Year Plan ([LINK](#)) is part of a wider collective effort to create a regional and national wellbeing economy, supporting and outlining how we will work to deliver on the National Strategy for Economic Transformation, and the South of Scotland Regional Economic Strategy. Our Values – being Inclusive, Responsible, Bold and Striving – are at the heart of everything we do, supporting our vision *"to create success, increase opportunity, lead a sustainable just transition to Net Zero and advance equality"*.

Our plan sets out six strategic areas of focus, our six As (see below). These areas of focus are rooted in the needs and ambitions of the South. They have been shaped from the messages we heard in our engagement from the people who live, work and operate here, with close to 750 people attending our series of engagement tour events across 2022 to share their needs and ambitions. This was supplemented with engagement with 100 people from seldom heard groups such as young people with additional support needs and armed forces veterans.

We continue to encourage and facilitate regular dialogue with people from across the South of Scotland, and most recently held 14 open meetings to hear directly from the people of the South on the issues facing them as part of our 2023 Summer Tour.

Figure 1 – Priorities from Our Five Year Plan

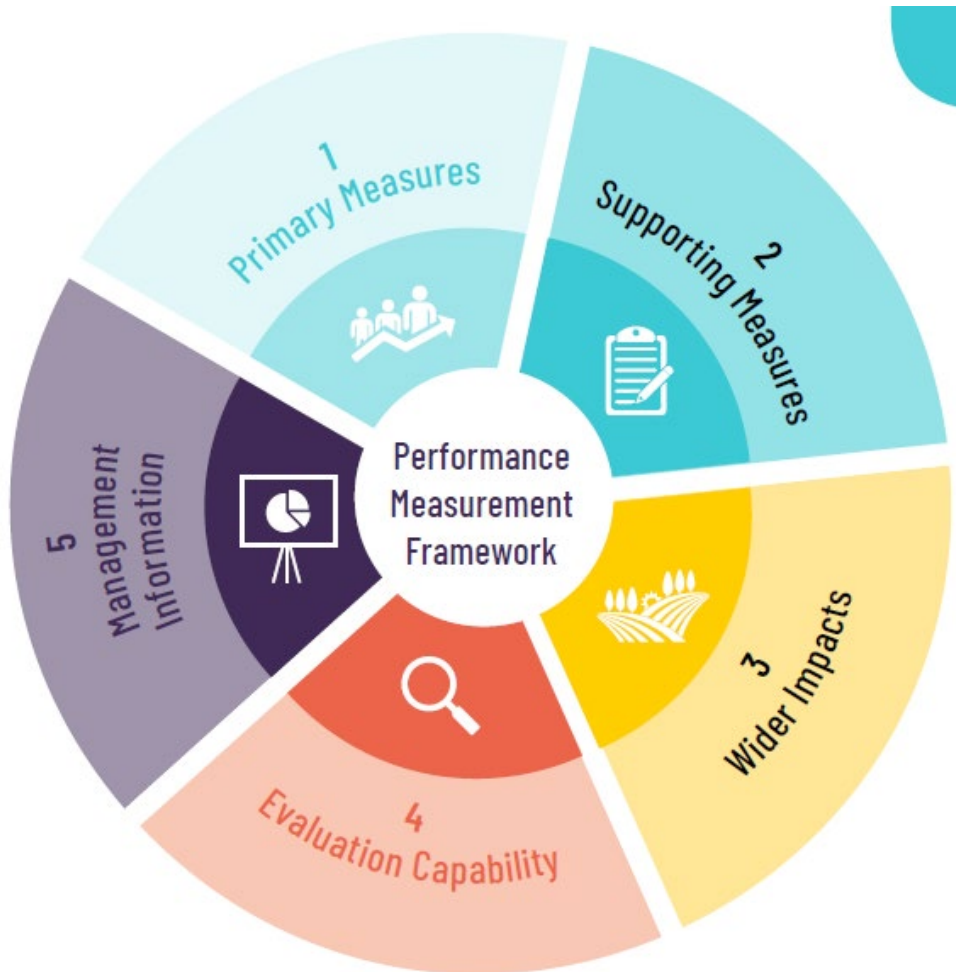


- **Accelerating Net Zero and Nature-positive Solutions** – this focuses on leading a Just Transition to Net Zero and a nature positive region, innovating for a clean energy transition, establishing regenerative and resilient approach to land and marine assets, and leveraging the significant potential of natural capital in the region.
- **Advocating for Fair Work and Equality** – this focuses on our role in championing Fair Work and security of work and pay, advancing opportunity and inclusion, supporting lifelong learning, and strengthening the resilience and scope of the Third Sector.
- **Activating & Empowering Enterprising Communities** – here we will focus on boosting community capacity and confidence, support place focused community led regeneration and development, work to embed Community Wealth Building in the South, and encourage ambition and entrepreneurial thinking.
- **Attracting Ambitious Investment** – this focuses on raising the profile of the South of Scotland, creating opportunity through ambitious and diverse investment, advocating for and supporting improvements to infrastructure, and also developing regional supply chains.
- **Awakening Entrepreneurial Talent** – our focus here is on inspiring and embedding entrepreneurial activity and ambition, promoting a culture of entrepreneurship, supporting the establishment of growth clusters, and unlocking creative and cultural excellence.
- **Advancing Innovation and Improving Productivity** – here we will focus on promoting an understanding of and improvements to productivity, championing innovative ways of working and creativity, creating and enhancing conditions to collaborate and foster innovation, enable digital advances and enterprise digitisation, and pioneering circular economic development.

Each of our areas of strategic focus are of equal importance and are interlinked. Progress in one area should happen in a way that helps move forward other areas.

We will measure our progress through our performance measurement framework which is also outlined in Our Five Year Plan. We will look to our impact on primary measures mapped to our six priorities and supplement these with supporting measures, which will bring a more rounded understanding of the difference we are trying to make.

Figure 2 – Overview of our Performance Measurement Framework



Conclusion

SOSE will continue to focus on our values of being Bold, Striving, Inclusive and Responsible, to make a real and lasting difference for our people and places. Through our six strategic areas of we will support communities, Net Zero, Fair Work and Equality, whilst attracting investment, encouraging innovation and nurturing entrepreneurial talent.