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Sir Edward Mountain MSP
Convener
Rural Economy and Connectivity Committee
Scottish Parliament
Edinburgh
EH99 1SP

21st January 2019

Dear Edward,

Scottish Enterprise – South of Scotland Enterprise Bill Stage One Scrutiny – supplementary information

Following my attendance at the Committee's session on the South of Scotland Enterprise Bill on 19 December 2018, and in response to the Clerk's request, please see below some follow up information.

Colin Smyth MSP asked what is the overall percentage of your resources that supports the economy in the south of Scotland.

Firstly, it is important to stress that SE does not allocate funding on a geographic basis. Funding is driven by demand from companies and economic opportunity.

The spend figures below exclude staff and payroll costs and therefore do not take account of cases where our contribution to the development of a project, for example in relation to a Growth Deal, is in expertise, knowledge or networks.

In the last two years, SE has spent **£5.25m (2016/17)** and **£3.3m (2017/18)**, which is 2.7% and 1.8% respectively.

The method used to calculate these figures matches payments to the postcode area of their recipient. This does mean that there will be some anomalies which, in the case of the South of Scotland, will result in an undercounting. For example, if a grant or investment was made with a company whose operations are in the South but whose HQ is in a different Local Authority then it would show against the HQ Local Authority. Similarly, a payment to a company HQ'd in a different local authority to provide a service to a company in the South would not be included.

Maureen Watt MSP asked for details on what discussions you have had with the rural leaders forum about growing markets for milk and value-added milk products.

We clarified that Ms Watt meant the National Council of Rural Advisers. SE was deeply involved in the consultations of the NCRA but those discussions did not specifically concern the dairy sector.



Going beyond the NCRA, and in relation to the South in particular, the SE Rural Leadership Programme has had participation from 20 dairy farmers in Dumfries & Galloway, many of whom play an active part in the Rural Leadership Alumni and are involved in projects seeking opportunities to add value to dairy farming and milk. For example, one group of dairy farmers, all three of whom are SE Rural Leaders, are proposing a significant project looking at combining genetic testing with data they already have on yields and eventually use embryo transfer to breed only the best dairy cattle and speed up the time it takes to get them back into the herd. SE is also at the early stages of working with partners to look at the market opportunity for A2 milk.

I hope that this information will be helpful to the Committee in their deliberations. Should you require any further information please do get in touch.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Steve Dunlop".

Steve Dunlop
Chief Executive