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Frank Mitchell
Chair, Skills Development Scotland

By email: chair@sds.co.uk

1 June 2023

Dear Frank,

SKILLS DEVELOPMENT SCOTLAND – 2023/24 LETTER OF GUIDANCE

I am writing to set out strategic guidance on my expectations and priorities for Skills Development Scotland (SDS) in 2023/24.

The work of SDS should be in line with the Scottish Government's work on skills, as set out in the National Strategy for Economic Transformation (NSET) and the Policy Prospectus launched by the Scottish Government in April 2023.

In addition, SDS should be in line with the Scottish Government's ambitions in this area, as set out in the National Strategy for Economic Transformation (NSET), the Policy Prospectus launched in April 2023, and the National Performance Framework. You have published a five-year strategic plan (2022-27), and I look forward to SDS setting out a more detailed annual Operating Plan for 2023/24.

Ministers will need to carefully consider the Scottish Government's response to the recommendations of the Independent Review of the Skills Delivery Landscape and other ongoing reviews. It may be necessary to update this Letter of Guidance following our response.

The challenging operating context, fiscal constraints and the need for public sector reform will require effective decision making and clear accountability from all of us, and I am keen that we retain regular dialogue.

In 2023/24, I expect SDS to focus on delivery of apprenticeships and a high quality all-age impartial Careers Information, Advice and Guidance service. In line with budget discussions, I am expecting SDS to deliver 2,500 Foundation Apprenticeship starts, up to 25,500 Modern Apprenticeship starts and to continue to reallocate places not taken up throughout the year ensuring that this process helps to address critical skills needs in the economy, and that you will do so in consultation with my officials.

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SDS should continue working with the devolved governments to manage and develop National Occupational Standards and to contract for the development of Scottish Vocational Qualifications in collaboration with the Scottish Government and Scottish Qualifications Authority. SDS should afford as many people as possible the opportunity to learn while in work and continue its role in the delivery of programmes such as Individual Training Accounts and the new Teaching Bursary scheme.

SDS should contribute to the delivery of NSET, including by delivering and evaluating, to agreed timescales, the projects on the Shared Outcomes Framework, working in collaboration with the Scottish Government and Scottish Funding Council. In line with our NSET ambitions, the work of SDS should continue to support Scotland's just transition to Net Zero.

I expect SDS to support the development and implementation of policies and projects to attract and retain talent, including through membership of the relevant forums and provision of skills planning and delivery expertise. This includes supporting the delivery phase of the Skills Recognition project.

SDS should prioritise ongoing support for those affected by redundancy through our Partnership Action for Continuing Employment (PACE) initiative including working with the Scottish Government and other PACE Partners to implement the PACE Continuous Improvement Plan for 2023/24.

I expect SDS to continue to play an active role in the 32 Local Employability Partnerships and ensure that it is appropriately signposting individuals and employers to the local employability support services on offer through No One Left Behind. SDS should work with Developing the Young Workforce (DYW) regional groups, DYW National Team, School Coordinators and mentoring offers to ensure that young people get the information and support they need to make decisions about their future.

In addition, SDS should promote Fair Work principles and adhere to commitments to apply grant conditionality as set out in the Bute House Agreement, in line with Scottish Government strategic guidance.

In accordance with wider Public Service Reform, SDS, like all public bodies will need to deliver all efficiency savings to sustain the delivery of public services within budget allocations for 2023/24. We expect efficiency measures to align with the wider reform agenda for tertiary education and skills.

I would like to extend my thanks to you, your fellow Board Members, and all staff at SDS for your hard work and leadership over the past year. I look forward to working together over the coming year. If you have any questions, I and my officials will be happy to discuss.

Yours sincerely



GRAEME DEY MSP

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