

# Minutes of the Meeting

## Board Business Meeting

<b>Date</b>	<b>27 March 2020</b>
<b>Time</b>	<b>09:30 to 12:30</b>
<b>Location</b>	<b>Skype</b>
<b>Present</b>	<p>Frank Mitchell (Chair) (FM)          Donald Boyd (DB) (part)          Beth Corcoran (BC)          Dr Mark Dames (MD)          Dr Carol Evans (CE)          Nazim Hamid (NH)          Prof David Hillier (DH)          Willie Mackie (WM)          Margaret McCaig (MMcC)          Dr Poonam Malik (PM)          Christine Pollock (CP)          Eileen Russell (ER)          Grahame Smith (GS)          Paul Taylor (PT)          Damien Yeates (Chief Executive) (DY)</p>
<b>In attendance</b>	<p><u>Skills Development Scotland (SDS)</u>          Chris Brodie (CB)          Eugene Gallanagh (EPG)          Andrew Livingstone (AL)          Neville Prentice (NP)</p> <p>Kathleen Nisbet (KN) (Secretariat)</p> <p><u>Scottish Government (SG)</u>          Dominic Munro (DM) (part)          Oonagh Gil (OG)          Colin Robertson (CR)</p>

<b>1.</b>	<b>Apologies and declarations of interest</b>
	Apologies were received from Tracy Black and Tracy Trotter.
	There were no declarations of interest.

<b>2.</b>	<b>Minutes of previous Board Meeting</b>
	The minute of the meeting of 22 November 2019 and the special meeting of 19 February 2020 were approved.
<b>3.</b>	<b>Matters Arising (Decisions and Actions from previous meeting)</b>
	Decisions and actions from the previous meeting were noted.
<b>4.</b>	<b>Strategy, Policy and Operations</b>
	<p><u>4.1 COVID – 19 Update on Impact within SDS</u>  EPG referred to paper which had been circulated to members (which provided a detailed update) and presented a high-level summary. Key highlights included:</p> <ul style="list-style-type: none"> <li>- SDS’s priority was supporting individuals, employers, partners and colleagues;</li> <li>- Leadership had reviewed business continuity plans, single points of failure within key functions had been identified, with mitigating actions put in place;</li> <li>- COVID-19 response and communications about our services had been published on our corporate site and would be updated regularly;</li> <li>- Gold level incident invoked and National Incident Management Team meeting daily;</li> <li>- Daily COVID-19 report to SDS CEO;</li> <li>- Developing new suite of reporting to measure impact of COVID-19 and enable appropriate data-based response;</li> <li>- Regular updates to staff via SDS Connect and SDS Alert;</li> <li>- Weekly comms to SDS Chair;</li> <li>- Identifying and managing COVID-19 related risks in our SDS risk control management process.</li> </ul> <p>Members sought clarification on a number of issues e.g. TU engagement, mental and physical wellbeing of staff, which EPG provided responses to and reassured members.</p> <p>The Chair advised members that if they had any further questions then they should email KN who would co-ordinate responses.</p> <p>Members noted the update.</p> <p><u>4.2 Business Continuity Plan – Update</u>  EPG referred to paper which had been circulated to members (which provided a detailed update) and presented a high-level summary. Key highlights included:</p> <ul style="list-style-type: none"> <li>- SDS Pandemic Business Continuity Plan <ul style="list-style-type: none"> <li>o Issued 14<sup>th</sup> March 2020 in response to COVID-19.</li> </ul> </li> <li>- Planned BC Activity v Actual – Overview <ul style="list-style-type: none"> <li>o BC plan identified all areas requiring action;</li> <li>o COVID-19 rapidness – sequential to simultaneous;</li> <li>o Impact of full-scale virtual working not foreseen;</li> <li>o Move to new business as usual status – need for new mode of delivering services – quickly identified by leadership.</li> </ul> </li> <li>- Next Steps <ul style="list-style-type: none"> <li>o Ensuring our contingency arrangements for increased staff absence are as robust as possible;</li> <li>o Maintaining multiple effective communications channels;</li> <li>o Developing our planned approach for ‘recovery’.</li> </ul> </li> </ul>

Members sought clarification on a number of issues e.g. senior executive succession planning, which EPG provided responses to and reassured members.

The Chair advised members that if they had any questions then they should email KN who would co-ordinate responses.

Members noted the update.

#### 4.3 Service Development Plan – Future demand & Priorities – presentation

DY introduced the item advising that NP and CB would present on current SDS work on impacts and service transitions.

Key highlights included:

- Anticipated Year End Performance (Work Based Learning & CIAG)
- COVID-19 – Update on Impact Within SDS
  - o SDS Transition to online
    - c.1,600 people migrated from work place to home in stages over last 7 working days;
    - SDS premises – c.47 locations - closed in a controlled manner
    - All working remotely on Office 365/Skype and phones;
    - Tasked up;
    - Daily staff calls;
    - National all staff comms.
- Understanding the Economic Impact of COVID
  - o COVID Pandemic is primarily a health emergency, but also creating greatest global economic crisis since the 1930s;
  - o Rapid deployment of restrictions on movement and work impacting heavily on domestic economies;
  - o Universal acceptance that Global, UK and Scottish economies facing deep recession – but key question is for how long?
  - o SDS mobilising cross-functional team to understand economic and labour market impacts; gather insight from industry partners; and to inform our collective response;
  - o Clear job impacts seen in consumer facing sectors – but also construction, education and Oil and Gas;
  - o Clear sign of employment opportunities emerging in health, food retail, logistics and agriculture;
  - o Two critical issues emerging:
    - Breadth, and pace of uptake, of Government mitigation measures;
    - Uncertainty on how long virus containment measures will be required.
- Scottish Government COVID Emergency Partnerships.
- Transition to SDS - COVID-19 Crisis Service
  - o BAU no longer exists – deliver all services by web and contact centre;
  - o Retain support to those most at risk - targeted S3 – S6, Next Steps and Redundant Apprentices;
  - o Pupil/Parent exam results help line;
  - o COVID General Advice - distressed individuals;
  - o PACE employee help line - facing redundancy/ made redundant;
  - o Commencing 30 March – Soft launch week 4 – Full launch week 7.

- Work Based Learning Transition;
- Supporting apprentices in training;
- Easing assessment criteria;
- Adopt an Apprentice;
- Maintaining employer investment in work-based learning;
- Supporting **training / learning providers**.

Key feedback included:

- Members were reassured that SDS were currently working closely with the Scottish Qualifications Authority (SQA) in respect of accreditation. It was noted that SQA were currently working through a method of assessment (i.e. a higher degree of testing), and SDS should be aware of this in terms of apprenticeships.
- In terms of economic impact, it was recognised that the labour market will be very different coming out of the current crisis highlighting even more the greater requirement for organisations to look at their business models, bringing greater emphasis on the Strategic Board's ambitions in terms of Business Models and Workplace Innovation (BM&WPI). DY provided an oral update on the work already in train within SDS in respect of BM&WPI and, in particular, Industry 4.0. Members acknowledged that SDS were very well placed in terms of looking forward.
- In terms of operational resilience and infrastructure, NP provided detail on disaster recovery plans for SDS's key systems e.g. CSS, FIPS. PT advised that he could offer some further advice on this topic and it was agreed that he and NP speak further on this off-line.

The Chair advised members that if they had any further questions then they should email KN who would co-ordinate responses.

Members noted the update.

## 5. Finance

### 5.1 SDS Budget 2020-21 (Final Draft)

DM provided context highlighting that the current COVID-19 crisis would have an impact on all government and public bodies in terms of how we use resources to respond to the crisis. He advised that the original Grant in Aid (GIA) figure remained along with the need for savings. Realistically, the need for flexibility had become important. However, any fundamental change in programmes would need to be agreed by Ministers.

EPG presented on the high-level summary. Key highlights included:

Overview and considerations to date

- SG awarded SDS GIA of £224M (£10M increase on 2019-20) in the Budget for 2020-21;
- Fully Costed Budget amounted to £233.6M – £9.6M shortfall;
- Proposals to balance 20-21 Budget presented to SDS BM 19/2;
- Direction to complete deeper impact analysis on cost cuts.

Budget Proposals and Impact Assessments

- Headcount Reduction – £2.7M v £3.5M with £200k pressure;
- Indirect Costs – agree £4.9M target but with £1.4M pressure;
- Additional Options A – reduced Intern Program only - £180k;
- Additional Options B (Programme Spend) – contra entry.

	<p>Board Approval subject to specified conditions</p> <ul style="list-style-type: none"> <li>- Approved by FOP 25/3, subject to: <ul style="list-style-type: none"> <li>o SG previously provided ESF related cash flow support continuing;</li> <li>o No personal liability to SDS Directors;</li> <li>o £3.4M known pressure acknowledged by SG;</li> <li>o All in-year flexibilities to targets first used to balance SDS 20-21 Budget;</li> <li>o Areas where costs cut are single year 20-21 reductions only, recognising the required budgets in future years may have to invest more to recover positions.</li> </ul> </li> </ul> <p>WM, as Chair of FOP, reported back to members following the two recent special FOP/ARC meetings where members reviewed the proposals along with detailed impact assessments. The recommendations of the FOP/ARC were in line with EPG's presentation and specified conditions. WM, and other members, highlighted and emphasised that the proposals had to be for one year only as these were in no way sustainable to implement in future years thereafter. WM also highlighted the issue of personal liability to SDS Directors and referenced DM's letter which he had sent yesterday to the Chair to address this. The Chair welcomed DM's letter regarding 'Board Member Liabilities' and '2020-21 Budget' noting that this required some slight rewording to ensure that SDS Board members, SDS executive and SG had a fully shared and agreed understanding.</p> <p>Members were content to approve the budget as presented subject to the specified conditions as set out in the presentation and the re-issue of DM's letter following slight improved and agreed wording.</p>
6.	<p><b>Any Other Business</b></p>
	<p><u>PACE Conference</u> BC advised members that the PACE conference had been postponed.</p> <p><u>Committee Membership Refresh</u> The Chair advised that an update on the Committee Membership refresh following the appointment of new Board members would be circulated next week.</p>
7.	<p><b>Next meeting:</b> 12 May 2020</p>