

# Minutes of the meeting

## Board Business Meeting

<b>Date</b>	<b>9 September 2021</b>
<b>Time</b>	<b>10:00 – 13:00</b>
<b>Location</b>	<b>MS Teams Online</b>
<b>Present</b>	<p>Frank Mitchell (Chair) (FM)  Tracy Black (TB)  Beth Corcoran (BC)  Dr Mark Dames (MD)  Dr Carol Evans (CE)  Nazim Hamid (NH)  Prof David Hillier (DH)  Margaret McCaig (MMcC)  Christine Pollock (CP)  Eileen Russell (ER)  Grahame Smith (GS)  Paul Taylor (PT)  Tracy Trotter (TT)  Damien Yeates (Chief Executive) (DY)</p>
<b>Attendance</b>	<p><u>Skills Development Scotland (SDS)</u>  Eugene Gallanagh (EPG)  Andrew Livingstone (AL)  Neville Prentice (NP)  Chris Brodie (CB)  Carolyn Anderson (CA) (agenda item 4.6)  James Russell (JR) (agenda item 3.1)</p> <p>Kathleen Nisbet (KN) (Secretariat)  Christine McCall (CMcC) (Secretariat)  Elaine MacPherson (EMacP) (Secretariat)</p> <p><u>Scottish Government</u>  Garry Gillespie (GG) (agenda item 2.1)</p>

<b>Apologies</b>	Willie Mackie (WM) Poonam Malik (PM)
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<b>1.</b>	<b>Apologies</b>
	Apologies were received from Willie Mackie and Poonam Malik.  There were no declarations of interest.
	<b>Minutes of Previous Meeting 10 June 2021</b>
	The minute of the previous meeting was approved without amendment.
<b>2.</b>	<b>Scotland's Economic Recovery</b>
	<p><u>2.1 National Strategy for Economic Transformation (NSET) – overview and update</u></p> <p>GG joined the meeting and presented and updated on the 10-year National Strategy for Economic Transformation.</p> <p>Key highlights included:</p> <ul style="list-style-type: none"> <li>- Framing and Scoping;</li> <li>- Internal Scottish Government (SG) Work – Thematic Groups;</li> <li>- Advisory Council; <ul style="list-style-type: none"> <li>o External Members;</li> <li>o Vision and Missions;</li> <li>o Challenges and opportunities;</li> <li>o Enablers and Blockers;</li> <li>o Sub Group Themes (Entrepreneurship, Innovation &amp; Productivity, Human Capital and Regional Equality).</li> </ul> </li> <li>- Engagement – stakeholder and public consultation;</li> <li>- Stakeholder Engagement: Emerging Key Issues (Climate Change/Just Transition, Regional Empowerment, Skills/Upskilling and Tax Reform/Fiscal Levers);</li> <li>- Systems Framing for 10 Year Strategy for Economic Transformation.</li> </ul> <p>In terms of the Future Skills Action Plan refresh it was noted that Scottish Government (Helena Gray and Adam Reid) would facilitate workshops with SDS and the Scottish Funding Council (SFC) and what would be the national direction of travel. CB provided an update on the three thematic NSET workshops that SDS had been involved in.</p> <p>Members discussed various aspects of the updates including issues associated with population demographics; the need for prioritisation and what we should do/not do -v- public funding constraints; alignment of the numerous strategies; supply chain.</p> <p>The Chair added that it is about how we position Scotland globally, how do we get globally competitive and how SDS is aligned so we can execute against this with accountability.</p>

The Chair thanked GG for his attendance and providing an update for members.

Members noted the update.

GG left the call.

## 2.2 Economic & Labour Market Outlook / SDS Service Response

With reference to the paper circulated which provided members with a summary briefing and full report of the most recent labour market information and insights, CB presented on key highlights.

- Timeline and Content;
- Scotland's Economy: Output:
  - o The economy was recovering from the unprecedented economic impact of the pandemic;
  - o The hardest hit sector was recovering;
  - o Other sectors are also returning to growth but challenges beneath the surface remain.
- Scotland's Economy: Recovery Scenarios
  - o Overall, recovery scenarios are unanimously optimistic for faster recovery with GDP returning to pre-pandemic levels in 2020. The recent growth in GDP is driven by the loosening of restrictions, but evidence suggests that growth may begin to slow as business activity stabilizes.
- Scotland's Labour Market: Payroll and CJRS
  - o Scotland's payroll is close to pre-pandemic levels;
  - o The Coronavirus Job Retention Scheme (CJRS) has, to date, mitigated the anticipated large rises in unemployment.
- Scotland's Labour Market: Business Confidence
  - o Business confidence has risen and is strong;
  - o Job postings have increased as businesses reopen.
- Spotlight: Labour shortages
  - o Scotland is currently facing a mix of labour and skills shortages;
  - o Contributing factors include Covid-19, Brexit, demographic change and sector specific issues.
- Spotlight: Potential impact of CJRS ending
  - o Scotland's unemployment rate is forecast to peak at 5.4% in Q4 2021, after the furlough scheme ends;
  - o Whilst it is hoped that most workers on furlough will return to their role, commentators have reported that there may be ongoing challenges preventing this.
- Spotlight: Uneven Impacts of Covid-19 on People
  - o The economic and social impact of the Covid-19 pandemic has been unequal;
  - o Lone mothers and guardians, minority ethnic women, disabled women and young women have been particularly impacted by the pandemic;
  - o There is limited evidence on how these people are faring through recovery, but we do know they were among the most adversely impacted.
- SDS evolving service offer to meet challenges in:
  - o Emerging labour shortages across sectors and regions;
  - o Significant downward pressure on workforce availability through demographics and reduced migration;

	<ul style="list-style-type: none"> <li>○ Intensifying demand for skills to support Scotland's economic ambitions.</li> <li>- SDS Resource &amp; Service Alignment <ul style="list-style-type: none"> <li>○ Agreement with SG to withdraw a number of short term Covid support services including: <ul style="list-style-type: none"> <li>▪ No new starts in 21/22 for Pathway Apprenticeships. Local Authority reps confirming no requirement due to multiple Young Person's Guarantee offers;</li> <li>▪ Potentially reduce funding levels for Adopt An Apprentice (from £5k to original £2k) – to be confirmed. This is also likely to apply to oil and gas which has always been at higher rate;</li> <li>▪ Await Ministerial sign off on SDS withdrawal from Employability Fund. Local Authorities due to commence procurement this month.</li> </ul> </li> <li>○ Review current resource levels in relation to redundancy support, employment advice lines, consider opportunities for redeployment, where possible. FTC resource ends February 2022 and a revised model being development within existing staff.</li> <li>○ Review resource and service alignment with SG priorities including: <ul style="list-style-type: none"> <li>▪ Talent Attraction – Service Development;</li> <li>▪ Green Jobs Workforce Academy – Phase II;</li> <li>▪ CESAP Skills Alignment Pathfinder.</li> </ul> </li> </ul> </li> </ul> <p>Members noted the update.</p>
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<b>3.</b>	<b>Strategy / Policy</b>
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	<p><u>3.1 Career Review Update</u>  GS referred to the paper circulated which provided a brief summary of the drivers and aims of the Career Review as well as an update on some key activity. GS and JRu presented, key highlights included:</p> <ul style="list-style-type: none"> <li>- Vision;</li> <li>- Progress to Date;</li> <li>- Design Principles. <ul style="list-style-type: none"> <li>○ The Service <ul style="list-style-type: none"> <li>▪ 1. Career services meet the dynamic aspirations and different needs of all young people;</li> <li>▪ 2. Career services build agency and equip young people with the skills to thrive in a changing world;</li> <li>▪ 3. Career services enable young people to expand their knowledge and experience or work;</li> <li>▪ 4. Career experiences are integrated into curricula, practice and culture of the education system.</li> </ul> </li> <li>○ The Ecosystem <ul style="list-style-type: none"> <li>▪ An eco-system of assets delivering coherent and impactful career services for Scotland.</li> </ul> </li> </ul> </li> <li>- Alignment and ambition with related policy - discussion <ul style="list-style-type: none"> <li>○ OECD Report and recommendations;</li> <li>○ SFC Review;</li> <li>○ Economic Transformation;</li> <li>○ Wellbeing economy;</li> <li>○ Net Zero Carbon;</li> </ul> </li> </ul>
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	<ul style="list-style-type: none"> <li>○ Fair Work;</li> <li>○ Learner Journey;</li> <li>○ NOLB.</li> </ul> <p>In terms of the design principles, it was noted that work/development was ongoing including what actions were required. A further update would be provided to the Board on this.</p> <p>It was noted that the review was for up to 24 year olds however some of the statements were for all ages. It should be noted that careers are for all ages. The Chair confirmed that he and GS agreed careers was an 'all age' service and that they had discussed this.</p> <p><u>3.2 SDS Board Strategy Planning</u> DY presented. Key highlights included:</p> <p>Overall Timeline Stage 1: Evidence and Insights Stage 2: Board Strategy Days Stage 3: Co-creation and Collaboration</p> <p>Members noted the update.</p>
<b>4.</b>	<b><u>Performance / Financial / Operational</u></b>
	<p><u>4.1 Climate Emergency Skills Action Plan – Update</u> CB referred to the paper circulated which provided an update on progress being made with the Climate Emergency Skills Action Plan (CESAP) with a specific focus on two early implementation priorities: The Green Jobs Workforce Academy and the Skills Alignment Pathfinder for CESAP. CB presented, key highlights included:</p> <ul style="list-style-type: none"> <li>- The Climate Emergency <ul style="list-style-type: none"> <li>○ Net-Zero by 2045;</li> <li>○ A Just Transition;</li> <li>○ Green jobs and skills.</li> </ul> </li> <li>- Progress and plans</li> <li>- Green Jobs Workforce Academy (GJWA): Ambition <ul style="list-style-type: none"> <li>○ Phase one delivery;</li> <li>○ Phase two delivery.</li> </ul> </li> <li>- CESAP Pathfinder.</li> <li>- Items for noting: <ul style="list-style-type: none"> <li>○ Note the transition to net zero remains the single biggest long-term challenge to the skills landscape;</li> <li>○ Note the significant progress made in developing and delivering the GJWA as a platform for a wider upskilling and reskilling offer within an extremely tight timeframe, which was hugely welcomed by Scottish Government;</li> <li>○ Note work with the Executive to drive GJWA phase 2 development and ensure Scottish Government funding matches the ambition for implementation.</li> </ul> </li> </ul>

Members welcomed the update and were very supportive of this work and requested that further updates be provided.

Members noted the update.

#### 4.2 Performance Report – Q1 2021/22

NP referred to the paper circulated which provided Quarter 1 Performance Report which summarised performance from 1 April to 30 June 2021 against our Annual Operating Plan and directorate targets. NP presented key highlights:

- Q1 21-22 Performance Highlights, Risks & Opportunities – Career Information, Advice & Guidance (CIAG);
- Q1 21-22 Performance Highlights, Risks & Opportunities – Work Based Learning (WBL);
- Q1 21-22 Performance Highlights, Risks & Opportunities – Skills;
- Q1 21-22 Performance Highlights, Risks & Opportunities – Organisation.

It was noted that the Finance & Operational Performance Committee had reviewed the performance report in detail at its recent meeting.

Members noted the update.

#### 4.3 Annual Report and Financial Statements for the year ended 31 March 2021 and note 'Audit Scotland Audit Report 2020-21'

Members homologated the decision to approve the Annual Report and Financial Statements for the year ended 31 March 2021 and note 'Audit Scotland Audit Report 2020-21'.

#### 4.4 Finance Report (including Management Accounts up to end of July 2021)

AL referred to the paper circulated which summarised the management accounting position at the end of July 2021. AL explained that at this point in the year it was a slightly artificial position (i.e. shows surplus however projecting deficit at year end). Appropriate mitigating actions would be developed and presented to FOP for review/approval. AL also highlighted that there was no movement in terms of ESF.

Members noted the finance report.

#### 4.5 SDS Chair & Board Review of Organisational Effectiveness

DY referred to the paper and draft Terms of Reference circulated for the proposed review of organisational effectiveness.

It was noted that there would be two stages (i) review past and current staff resourcing and organisational structures within SDS in response to changing Ministerial & Scottish Government priorities and (ii) will be 'futures focused' and will consider the current organisational 'fitness for purpose' against a range of future scenarios. The scope of Stage 2 will draw on insights and evidence with the development of a programme plan.

DH would lead the review with executive support from Carolyn Anderson, Director of HR with updates being provided to the Board.

	<p>GS highlighted that trade union involvement should be included from a Fair Work perspective and to also offer insight. DY confirmed that TUs would be informed of the review and there would be ongoing dialogue throughout stage 2 of the process.</p> <p>Members approved the proposed approach.</p> <p><u>4.6 Investors in Young People – Platinum Award</u> CA referred to the paper circulated. SDS had achieved the highest level of award in the Investors in Young People (IIYP) accreditation, which there are only 2 other employers in Scotland who have achieved the same level of award. The award represents a true commitment to the recruitment, development, and retention of Scotland’s young people.</p> <p>Natalie Bell, TA Health &amp; Safety and Daniel Brett, Junior Developer (BED) joined the meeting and shared their experience at SDS with members.</p> <p>Members thanked Natalie and Daniel for attending and sharing their experience and congratulated the executive on the outstanding achievement.</p>
<b>5.</b>	<b>Board Member Updates</b>
	<p><u>5.1 Equality and Diversity Updates</u> NH provided a verbal update highlighting the work underway to consolidate and pull through more clear mapping towards the equality mainstreaming report. The process was still in its early stage and would evolve/embed over time.</p> <p>Members noted the update.</p>
<b>6.</b>	<b>Any Other Business</b>
	<p>Board Appointments - the Chair provided an update highlighted that the next recruitment round for new appointments was August 2022.</p> <p>NH took the opportunity to express her gratitude to the executive following feedback she had received from young people from the Black and Ethnic Minority community about their experience with SDS.</p>
<b>7.</b>	<b>Close of Board Business Meeting</b>
<b>8.</b>	<b>Date of next scheduled meeting: 18 November 2021</b>

KN  
Oct 2021