Minutes of the meeting

Board Business Meeting (BD)

Date	**10 December 2025**
Time	**10:00 – 15:00**
Location	**Monteith House, 1st Floor, Barra/Jura Room**
Present	Prof Frank Mitchell (Chair) Sheila Cowan (SC) Victoria Erasmus (VE) Nazim Hamid (NH) Graham Hutcheon (GH) Dr Poonam Malik (PM) Margaret McCaig (MMcC) Christine Pollock (CBE) (CP) David Rankin (DR) Paul Taylor (PT) (Online) Damien Yeates (Chief Executive) (DY)
Attendance	Skills Development Scotland (SDS) James Prentice (JP) James Russell (JR) (items 4 and 11) Carolyn Anderson (CA) (item 4) Neville Prentice (NP) (items 5, 6 and 7) Andrew Livingstone (AL) (items 8, 9 and 10) Scottish Government Ben Macpherson MSP (BMacp) Kate Higgins (KH) Shirley Laing (SL) Secretariat Claire McEleavy (CMcE) Christine McCall (CMcC)
Apologies	Tracy Black (TB) Dr. Mark Dames (MD) Dr. Carol Evans (CE) Prof David Hillier (DH)

Business Meeting	
	Scottish Government Update (SG)
	Ben Macpherson, Shirley Laing and Kate Higgins joined the meeting. The Chair welcomed the Minister for Higher and Further Education, Ben Macpherson, together with Shirley Laing, Scottish Government Director for Lifelong Learning and Skills, and Kate Higgins, Special Adviser to the Minister. Board Members and the Executive introduced themselves and outlined the experience they bring to Skills Development Scotland (SDS) and in support of the Reform programme, noting the breadth of professional backgrounds represented across the Board. The Minister thanked the Board for the invitation and affirmed his appreciation for their expertise and the contribution SDS has made to Scotland's skills system. He expressed enthusiasm for his portfolio and the opportunity to support training, prosperity and efforts to tackle poverty. He acknowledged the challenging context in which young people and adults are making career decisions, including rapid technological change, the legacy impacts of COVID19 and the influence of social media. He described the skills agenda as a bridge between social security and economic policy and emphasised the need for a coherent, well-functioning and collaborative skills ecosystem. The Minister commended SDS for delivery against Public -Sector Reform Strategy, and transformation, and highlighted the organisation's strong approach to partnership working across the system. The Minister recognised that, should Parliament pass the Tertiary Education & Training (TET) Bill, this would represent a significant change for SDS. He underlined the Scottish Government's commitment to Fair Work principles and hoped that staff felt reassured on this issue. The Minister appreciated the Board's support work to refine costs in relation to the TET Bill, sharing he had sought to bring reassurance and engage constructively and would continue to do so. The Minister referenced joint working between Scottish Government (SG), SDS and the Scottish Funding Council (SFC), with senior teams taking a collaborative approach. He emphasised that the Bill would establish a new Apprenticeship Committee, which will secure a strong and continuing employer voice. The Minister emphasised the importance of working constructively to deliver ministerial priorities during this significant period of reform for the Scottish Government. He acknowledged the scale of change ahead and expressed appreciation for everyone's commitment to ensuring reforms benefit learners and the economy, recognising the shared focus on delivering the best outcomes together. The Minister welcomed the views expressed by the Board and reiterated that he was present to listen.

The Chair reiterated the Board's longstanding advocacy for reform of the post-school education system, while stressing that their focus has always been and remains on delivering benefits and outcomes for learners, employers and communities.

The Chair advised that SDS had strong governance and a track record of achieving outcomes, having delivered all ministerial objectives set for SDS via Letters of Guidance and delivered financial objectives.

The Board welcomed the acknowledgement of the difficulties of the transition for young people and the value of the SDS staff. Members shared their passion for supporting Scotland's skills system. Members noted frustrations and concerns in several areas regarding the Simplification Reform process including:

- the lack of benefits identified from as well as appropriate risk assessments and mitigation measures
- concern regarding the cost and ensuring good value for public funds
- the experience of SDS staff throughout the process to date
- lack of engagement with stakeholders, learners and customers
- ability to deliver a seamless transition for the learners
- the criticality of employer voice and concerns over dissolution arrangements
- the need to ensure apprenticeships remain a priority
- need to re-evaluate if the changed system worked better than before.

Members highlighted the importance of protecting service reach and equity for rural communities, where delivery costs were higher. This was equally important for young people from low income, disabled and care experienced backgrounds.

Members highlighted how SDS strengthened Foundation Apprenticeships (FAs), with robust testing and national recognition. There was strong evidence that they were delivered well locally with SDS support. Parents were increasingly viewing them as a credible option, though building that confidence naturally takes time. They acknowledged the quality of the work of SDS staff but cautioned that expecting rapid change was unrealistic and risks negatively affecting young people over the next 18 months whilst this transition takes place.

Members also focussed on risk management of proposed reforms and the need for strengthened programme governance. They asked for clarity on decision rights across SG, SFC and SDS; the need for a transparent risk register covering financial, reputational, service delivery and customer outcome risks.

The Board asked for assurance that employer relationships, operational agility and continuity of Modern, Graduate and Foundation Apprenticeship delivery would be maintained during transition.

The Board advised that clarity of purpose, conditions for success and organisational capacity are essential for a safe and effective change process. In addition, Members underlined the importance of learner, employer and practitioner voice in shaping design decisions, encouraged earlier and fuller engagement and communication to sustain staff morale and public confidence. Furthermore, they asked that reforms should not diminish the system's ability to respond to child poverty, inequality and digital disadvantage.

	The Minister emphasised his appreciation for SDS and the work of the staff. He noted he had sought to put in as much time as possible into engagements and would keep emphasis on that and sharing how crucial staff will be to delivery. Regarding the concerns expressed about whether the proposed changes would lead to tangible benefits for young people, employers and communities the Minister committed to writing to SDS so that his key messages could be shared with staff. Responding to the discussion, KH acknowledged the strengths of the apprenticeship programme, noting areas of excellent practice, particularly with SMEs, rural delivery models, and the adaptability of the frameworks. KH highlighted examples such as the Ringlink (land-based) pre-apprenticeship model and encouraged consideration of how such locally successful approaches could be embedded more widely. However, KH emphasised that while some apprenticeship metrics were performing well, others such as gender balance and reaching the hardest to reach learners required greater system-level improvement across schools, colleges and careers services. Officials reiterated that the current reforms were intended to create structures that better reflect future needs, ensuring funding flows and responsibilities are aligned to deliver effectively for young people, including those with Additional Support Needs. These reforms had the stated aim of increased consistency of good practice across Scotland, aligned with wider priorities, such as the Child Poverty Plan. In relation to the TET Bill, the Minister noted he had considered the need for legislation objectively and recognised the arguments on both sides. He concluded that a single overseeing body could support greater agility, responsiveness to technological change, and enhanced parity of esteem across the system, while not diminishing the value of SDS's work. The Minister addressed transition-related concerns, noting that costs were still being refined, but emphasising that careful planning, open dialogue and collective responsibility would be essential to ensure continuity for young people, employers and staff. He stressed the importance of maintaining trusted relationships and ensuring systems and expertise transfer effectively, should the Parliament proceed with the reforms. Officials also highlighted the need to strengthen expertise within SFC and encouraged greater innovation through collaboration, including potential secondments. They emphasised continued focus on addressing skills gaps, supporting local "learn and earn" pathways, and ensuring the system meets regional economic needs, including in areas such as green skills. The Minister reassured the Board that he had heard their concerns and, although he was unable to respond to all the individual points raised, he asked the Board to share all their concerns in a letter, and he would take time to respond. Closing the discussion, the Minister emphasised a shared motivation to serve the people of Scotland, recognising differing views on the "how" while reaffirming alignment on the "why." He noted that he would welcome the opportunity to return for a further session, perhaps including the Cabinet Secretary.

	The Board reaffirmed its willingness to support the implementation of Parliament's will, while ensuring that reforms remained evidence-based, delivered value for money and were firmly grounded in the needs of learners, employers and communities.
1.	**Apologies and Declarations of Interest**
	Tracy Black, Dr Mark Dames, Carol Evans and Prof David Hillier passed apologies. There were no declarations of interest.
2.	**Minute of meeting held on 20 August 2025**
	The minutes of the last meeting were approved. The minutes were approved.
3.	**Decisions and Actions**
	The decisions and actions were reviewed and noted.
4.	**Scottish Government Reform Update (SDS)**
	JP/JR/CA joined the meeting and referred to the paper circulated which provided members with an update for reference. JR presented on key points, noting that some updates had been discussed during the Scottish Government Update. JR advised the Board regarding a summary of amendments to the Tertiary Education and Training (TET) Bill ahead of Stage 3. JP advised the Board would be kept updated on amendments as the process progressed. Members discussed the newly announced Guaranteed Jobs Scheme in England and the degree to which it might apply to Scottish Apprenticeships. The Executive were asked to provide advice. JR highlighted the continued intensive collaborative work being undertaken with the SFC in relation to reform. Members discussed the DDaT options and provided direction to the Executive giving authority giving direction to planning for 'Option 1'. Members noted the risks regarding 'Option 2' were significant and that option has yet to have formal due diligence on the legal, operational and financial risks and implications. It was confirmed that if Option 2 was to be recommended, the SDS Board would be required to be engaged to give appropriate oversight and governance in reaching a decision. Members noted the update. JR and CA left the meeting
5.	**Q2 Performance Report 2025/26**
	NP joined the meeting and referred to the paper circulated which provided the Q2 Performance Report. NP provided an update on the Q2 performance. He advised external factors had started to impact the delivery of Modern Apprenticeships (MAs) in Q3 and provided

	reassurance that extensive work by the teams was being undertaken to mitigate the impact. Members discussed the MA figures and expressed an interest in understanding the MA performance trend data over recent years, considering geography and asked NP to share this information with the Board. Additionally Members asked the Executive to explore whether SFC underspend could be used for Foundation Apprenticeship expansion. The Chair expressed appreciation to the SDS teams for all their efforts and asked for thanks from the Board to be passed on via the Board Bulletin. Members noted the update.
6.	**16+ Participation Portal Overview**
	TS joined the meeting and provided a short update on the 16+ Participation Portal with NP. TS highlighted the developments with regards the 16+ Participation Portal and the successful integration of partner data; he noted that the in-house development approach enabled agile development. TS noted that the team recently presented to the Permanent Secretary Joe Griffin, highlighting the SDS role in data led systems transformation. The permanent Secretary invited the SDS team to present on the work to his Executive Team. Members thanked TS and the SDS team for the innovative work in this area and asked that a deep dive session be arranged to provide an opportunity for further learning and discussion of the system and the impact this has in the CIAG and partnership delivery and critically in support of young people. Members noted the update and requested a deep dive session on this area. TS left the meeting.
7.	**Workforce North – Update**
	NP provided the Workforce North (WFN) Update. NP advised on the progress of the Workforce North delivery plan since the last meeting. He highlighted the recent WFN launch event with the Deputy First Minister, Kate Forbes at which she also announced the Workforce North Co-investment fund. NP also noted a highly successful Highland Council event with local educators and employers which outlined opportunities for enhanced employer engagement in schools to build better connections between young people and local businesses. NP advised the outputs of the event would be shared with the Board. Regarding the WFN Co-investment fund, the Board were advised that the AO template to progress this was currently with Scottish Government for approval. Members noted the update.

	NP left the meeting.
8.	**2025/26 Q2 Budget Update**
	AL joined the meeting and referred to the paper circulated that was shared with the FOP Committee which reflected a comprehensive review of the budget for 2025/26 and the formation of a revised budget, as supported by FOP. AL advised that in 2025/26, under the strategic direction of T27 SDS had achieved cost savings compared to 2024/25. AL advised the Executive were presenting a balanced budget for 2025/26 based on known pressures. Members noted the update.
9.	**2025/26 Q2 Finance Report up to end of October**
	AL provided an update on the end of Quarter 2 2025/26 Q2 Finance Report to the end of October. AL shared the management accounting position as at the end of October 2025, he advised that the Executive considered the management position to be within reasonable tolerance of the target outturn. Members noted the update.
10.	**2026/27 Draft Budget Update**
	AL referred to the paper circulated which provided an update on the Draft Budget together with assumptions for the modelling. AL advised FOP had reviewed and supported the budget proposal at the meeting on 11 November. AL advised that the Executive was content to recommend a balanced budget for 2026/27, subject to confirmation of equivalent budget and Grant-in-Aid. Members noted the update. AL left the meeting.
11.	**Transform 27 Update**
	JR joined the meeting and referred to the paper circulated which provided Members with a progress update on T27 programme. JR advised on the strategic approach and phasing of Transform 27 (T27), including the drivers and evidence base that sits behind it, which aligns to the SG Medium Term Financial Strategy and the longer-term opportunities for achieving our objectives by working with and across the system. SC asked if international benchmarking was considered as part of the approach and JR advised that it was included as part of the discover approach which included customer evidence and international research which informed the programmes.

	JR shared emerging priorities and developments, he noted that work will need to commence on the future operating model and he would come back to the Board on this at a future point. The Chair thanked JR and the SDS teams for the significant progress that has been made and which showed the determination of staff and asked for this to be recognised via the Board Bulletin to all staff. Members noted the update. JR left the meeting.
12.	**Board Member Updates**
	12.1 Equality and Diversity Update (Poverty deep dive) CP shared a summary of the recent Poverty Deep Dive session with the Board. She expressed the importance of the CIAG support in this area. CP expressed thanks to the teams on behalf of the Board for hosting this session. Members noted the update.
13.	**Papers for Noting**
	13.1 Cyber Security – Risk Mitigation Update – EIS 13.2 Cyber Security – Risk Mitigation Update – SDS 13.3 Economic and Labour Market insights for Scotland – key trends and future outlook 13.4 Remuneration and HR Committee (RHR) Draft Minute of Special RHR – 7 August 2025 Draft Minute or RHR – 9 October 2025 and Addendum 13.5 Audit and Risk Committee (ARC) Draft Minute of ARC – 12 August 2025 Draft Minute of ARC – 18 September 2025 Draft Minute of Special ARC – 22 October 2025 13.6 Service Delivery Committee (SDC) Draft Minute of Special SDC – 22 September 2025 Draft Minute of SDC – 30 October 2025 Draft Minute of Special ARC – 22 October 2025 13.7 Financial and Operational Performance Committee (FOP) Draft Minute of Special FOP – 23 October 2025

	Draft Minute of SDC – 30 October 2025 Members noted the update.
14.	**Papers previously circulated for approval/noting via correspondence**
	14.1 SG Updates on Public Finance and Reform for noting (BD-25-007vc) 14.2 Draft Statutory Accounts for approval (BD-25-009vc) 14.3 SDS Modern Slavery Statement for approval (BD-25-011vc) 14.4 2024/25 BD Feedback Survey Results for noting (BD-25-013vc) 14.5 2024/25 Board Annual Report for approval (BD-25-008vc) 14.6 Board Standing Orders and Code of Conduct for approval (BD-25-016vc) 14.7 Committee Terms of Reference for approval (BD-25-017vc) 14.8 Committee Annual reports for noting (BD-25-018vc) 14.9 Board Continuous Improvement Action Plan for approval (BD-25-014vc) 10.1 Board CPD Plan for approval (BD-25-015vc) Members homologated the papers circulated previously.
15.	**AOB**
	15.1 Pay Award and Your Views Update (oral) DY provided an update on behalf of CA regarding Pay Award for 2025-2027. DY provided an update on the November 2025 all staff survey (YourViews), a response rate of 84% was noted. Members noted the update.
16.	**Close of Board Business Meeting**
17	**Date of next scheduled meeting: Wednesday 25 February 2026, 10:00 – 16:00 hrs Monteith House**

CMcE
December 2025