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March 2018

Dear John

## SKILLS DEVELOPMENT SCOTLAND – GUIDANCE 2018-19

### Introduction

1. Following the publication of our Programme for Government (PfG), 'A Plan for Scotland', I am writing to you to outline the strategic priorities I would wish to set for Skills Development Scotland (SDS) until the end of March 2019. More detail around this can be found at **Annex A**.

### Enterprise and Skills Review

2. It is my intention that SDS will undertake its operational and strategic planning in line with the Strategic Board's Strategic Plan once it is developed, and in the meantime be attentive to the emerging themes and priorities of the Board as it develops that Plan. Of considerable significance to that aim is the requirement for SDS to plan and work collaboratively with the other Enterprise and Skills agencies, with SG and more widely as required to support the Strategic Board's aims.

### Strategic Context

3. Skills Development Scotland sits in a critical position in support of both the Scottish Government's overarching ambition of inclusive, sustainable growth for Scotland and its defining mission of education. Contributing to the development of a skilled and productive workforce in Scotland, both now and in the future, is a central contribution to the Government's strategic vision for Scotland.
4. SDS has a decade long record of delivery and innovation of which it can and should be proud. As we look forward to an ever evolving and increasingly uncertain economic environment the need for that focus on delivery and innovation becomes increasingly important. So too does the need to collaborate with the Government, other agencies and the widest range of stakeholders. We cannot unlock the opportunities of the future and respond to some very disruptive challenges by working in isolation or through only superficial collaboration.

5. The formation of the new Strategic Board following the Enterprise and Skills Review provides an opportunity to build a new approach to enterprise and skills support for Scotland. This is an opportunity to work across boundaries and to deepen alignment and innovative practices at a level we haven't seen before. This will rely on collective leadership across the agencies and strong partnership with Government.
6. SDS has responded positively to the conclusions of the Review and has made a distinctive and important contribution to the work to establish the new Strategic Board. In the year ahead I look to SDS to be part of the formation of a new collective leadership which drives progress and isn't constrained by the institutional interests of partner agencies. This will take place against a backdrop of significant change for SDS at board level. I understand this will be a challenging period for the organisation. However I expect the transition to genuine collaborative leadership with partners to remain at the forefront of the organisation's strategic focus throughout the year.
7. Learners and employers have been and must continue to be a key focus for SDS. Maintaining and enhancing confidence in the stability and quality of outcomes delivered by Scotland's skills system must be a priority for SDS working in partnership with the Scottish Funding Council and others. While we must always be open minded about change to the services provided to learners and employers, we must maintain a clear and consistent focus on the outcomes we are seeking to achieve through those services.
8. Looking back over the past decade SDS has made a significant contribution in terms of the development of the apprenticeship pathway and in response to the post-recessionary challenge of youth unemployment. In many ways this success has been characterised by a responsive approach to rapidly shifting labour market conditions. Looking forward to the next decade we can anticipate different labour market challenges even if we cannot realistically forecast what they will be and when they will occur. The Government will continue to respond to the challenges that emerge and that means priorities will evolve. I look to SDS to continue to adapt in response and will support the organisation to do so.
9. Skills Development Scotland plays a pivotal role in assessing, developing and delivering the skills needs of a wide range of Scottish Government priorities. I expect you to build on your current valuable contribution to those priorities by continuing to work in collaboration with partners, including those at local, regional and national levels, to unlock opportunities and creating the future capacity required within Scotland's skills system.
10. We recognise there is a need for our investment in skills and enterprise to help create a workforce which can compete effectively in an increasingly competitive global economy. The importance of industry leadership in determining current and future skills needs cannot be overstated. This must be a system wide approach. We look to SDS to continue to work with the Scottish Funding Council on skills alignment, harnessing the energies of industry leaders in transforming our approach.
11. The significance of providing young people with improved career management skills and the information required to make informed choices about their future learning and careers is fundamental. Your work to date on careers education in schools has been critically important. However, by its very nature, developing and delivering careers education within the context of a changing labour market is a continual process of improvement and I look to SDS to continue to prioritise this work.

12. Building on the expanded reach of its all-age careers services, SDS has a critical role to play in working with partners to support the development of a more aligned and integrated approach to employability support in Scotland particularly on Work Able Scotland which SDS continues to deliver on Ministers' behalf. SDS should also look to support and promote Fair Start Scotland through My World of Work and other channels.
13. We recognise the need to rebalance the nation's skills provision, with greater emphasis on, and recognition of the value of, work based and technical learning options. I ask you to continue your partnership work to developing work based and technical learning pathways, providing more and better learning opportunities for Scotland's young people.
14. My expectations are reflected in the following high level strategic priorities for SDS:
- **Skilled and Productive Workforce:** Ensure that the provision of skills and training is geared towards the current and future needs of individuals and employers.
  - **Fair Work:** Support employers to grow, through the promotion of management practices that encourage the creation of sustainable and productive jobs.
  - **High Employment and Low Unemployment:** Delivering on employment support to provide an integrated system, which provides equality of opportunity to access work to ensure everyone is able to maximise their potential.
  - **Equal Opportunities:** Place equality and diversity at the very heart of SDS activity to drive forward change that will make an enduring difference. In particular make a contribution to the delivery of the Government's ambition of halving the disability employment gap. SDS should continue to pursue the aims of the MA Equality Action Plan.
  - **Collaborative Working:** An enhanced culture of collaborative working with enterprise and skills agencies and other stakeholders.
  - **High performing public body:** SDS operates as a highly effective public body working collaboratively with others to maximise its impact on individuals, society and the economy.
15. This letter sets out these strategic priorities in further detail and I ask that your Operating Plan for 2018-19 determines how you will contribute to these priorities in the year ahead. With the establishment of the Strategic Board following the Enterprise and Skills Review, I would look to SDS to align with the specific priorities identified by the board and the new governance structures and performance framework as they emerge.

### Skills Development Scotland Budget 2018-19

16. In what has been a tight financial settlement for public services across Scotland, I am pleased that I have been able to secure an uplift in SDS's budget that reflects the government's priorities. I welcome SDS's approach to working openly with officials to better understand and consider the prioritisation and maximisation of opportunities within the confines of this settlement.
17. SDS's budget allocation for 2018-19, to support delivery of our priorities on inclusive and sustainable economic growth is set out in the table below (these figures are subject to Parliamentary approval). This is confirmed in your budget allocation and monitoring letter issued in March 2018. Any in-year transfers, both in or out of the budget, will be detailed at

the Autumn and Spring Budget Revisions, published each year and subject to Parliamentary scrutiny.

<b>Skills Development Scotland</b>	<b>2018-19 Budget</b>
Grant - in - Aid	£193.3m

18. Looking ahead to future years I expect SDS to engage with Scottish Government on budgets at both ministerial and official level well ahead of the new apprenticeship contracting periods.

## **Conclusion**

19. In conclusion, I hope that you will find this letter helpful in carrying forward your business planning for 2018-19. I am confident that SDS will rise to meet the challenges it faces during the coming year and this Government very much values the important work that SDS carries out in helping to deliver the Government's Purpose. I look forward to that support continuing as the Board drives forward its important work in meeting our priorities to create a prosperous nation with more jobs, fair work and a dynamic sustainable and inclusive economy.

## SDS's Contribution to Scottish Government Priorities

### SG Strategic priority

**Skilled and Productive Workforce: Ensure that the provision of skills and training is geared towards the current and future needs of individuals and employers.**

### SDS Outcome

**Employers are better able to recruit the right people with the right skills at the right time.**

### Skills Alignment

1. As reflected in our Economic and Labour Market Strategies, developing the skills of Scotland's current and future workforce is central to improving productivity, supporting the Scottish Government's focus on inclusive and sustainable economic growth. The Enterprise and Skills Review concluded that the impact of our investment in skills would be enhanced by increasing the planning and alignment between SDS and SFC, so that this investment better reflects the needs of employers and the economy. I want SDS to continue working with my officials and with SFC to deliver the Skills Alignment workstream, as set out in the *Enterprise and Skills Review Report on Phase 2: Skills Alignment*, with a specific focus in 2018/19 to advance the early work on:

- ***Establishing a single demand and provision planning cycle with SFC*** that takes into account the planning cycle of colleges, universities and training providers. This supports the expectation, set out in the *Enterprise and Skills Review Report on Phase 2: Skills Alignment*, that SDS and SFC will jointly develop: an evidence-based skills demand assessment proposal that identifies skills demand at national, regional and sector levels, and where gaps exist in possible priority occupations, qualification levels and skills pathways; and a resultant a coherent provision plan for skills investment at regional, occupational and qualification levels. Both the demand assessment and the provision plan should be developed with industry and institutional engagement, with SDS and SFC working actively with relevant providers to build institutional capacity and capability.
- ***Enhancing the use of information on labour market demand and providers' capacity across SDS and SFC.*** This on-going improvement from 2018/19 should support the enhanced use of this information to better and more clearly inform Outcomes Agreements and SDS contracting processes.
- ***Better aligning the work of the relevant parts of SDS and SFC.*** This will ensure a seamless approach to developing and implementing skills provision planning, Outcome Agreements and SDS contracting.
- ***Joint recruitment with SFC of a Director of Skills Alignment and Planning, supported by the establishment of a supporting core team and wider virtual team, drawn from SDS and SFC.*** The establishment of this post and the supporting teams is a vital enabler to delivery of the above and Skills Alignment more widely, given the post's responsibility for progressing Skills Alignment.

2. These actions directly support the implementation and delivery of the Skills Alignment workstream and the 5 step model that underpins it (see high level diagram - annex B). Implementation of this approach will inform on-going consideration of the most effective balance of our skills investment to maximise returns in terms of productivity and labour market inclusion and avoid duplication of effort and funding.
3. As this new approach develops, we ask SDS to continue to:
  - Extend and strengthen Regional Skills Assessments by identifying the range of available equality data that might be used to further enhance skills intelligence.
  - Implement existing, and potential new sectoral SIP action plans.
  - Consider how equality impact assessments and specific equality actions are most effectively integrated into the SIP / RSIP development process.
  - Place a focus on existing and future growth sectors, including those with STEM occupations and other Scottish Government requirements, e.g. digital, rural, early learning & childcare, film & TV etc.
  - Collaborate with Creative Scotland and its partner agencies to establish the dedicated Screen Unit, play a full part in its governance and work to fulfil its shared strategy. I expect the establishment of the Screen Unit in 2018-19 to result in closer and stronger collaborative working by SDS with agency partners so that public sector investment and resources drive growth more effectively in our television and film sectors.
  - Contribute to the **STEM Strategy for Education and Training** by delivering SDS designated actions and by implementing SDS' own STEM strategy. SDS will contribute to the governance arrangements for the Strategy through its continued representation on the STEM Strategy Implementation Group, and through the official-level Action Group.
  - Implement existing **Regional skills investment plans** (RSIPs) which are playing a key role in integrating skills investment at local level.
  - Work with a range of partners on the development and delivery of the strategic approach to rural economic development and related skills support.
  - Work with enterprise and skills agency partners to ensure that skills requirements are reflected in **City and Growth Deal** infrastructure and other development proposals.
  - Develop an evidence base that allows us to better understand the links between skills investment, productivity and inclusive growth via the high performing inclusive growth framework.
  - Increasingly bring their skills plans and evidence base to the fore in supporting the development of SG policies and strategies, including the delivery of skills related Ministerial commitments.

## **SDS Outcome**

**People have the right skills and confidence to secure good work, progress in their careers and achieve their potential**

### Learner pathways and the learner journey

4. Scotland needs an efficient, effective and adaptable skills and learning system that allows learners to prosper and supports industry with the required skills. Our ambition is to create a world-class skills infrastructure for work-based learning, providing a coherent pathway of

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opportunity from school, post-school and into employment, with a clear and flexible choice of learning pathways, complementing the more traditional academic pathways and allowing learners to move between and progress through alternative routes.

5. We also wish to simplify the learner journey and welcome SDS' continued involvement in the learner journey project and its future implementation.
6. In terms of pathways, we look to SDS to continue its work to expand work-based learning options, including:
  - Fully involving employers, including SAAB, in advising the appropriate balance of pathways within the apprenticeship family that will provide the technical and meta skills that drive economic growth.
  - Continued expansion of Foundation, Modern and Graduate Apprenticeships (detailed further below).
  - Ensuring professional and quality standards are embedded across the apprenticeship family.
  - Supporting initiatives to ensure that prior learning is recognised across all skills pathways to avoid duplication.
  - Effectively promoting all available pathway opportunities to learners, raising awareness and understanding while shaping attitudes towards work-based learning options.

Our expectations of SDS in the management and delivery of the apprenticeship family are detailed below.

### The Apprenticeship Family

7. The commissioning of apprenticeships will be informed by the new 5-step skills alignment model. This should lead to improved alignment of SDS and SFC planning cycles and enhanced use of evidence to inform commissioning with training providers (Steps 1 and 2). The commissioning process and the monitoring and performance management of training providers (Steps 3 and 4) will also be shaped by the new approach, alongside SFC commissioning and funding of colleges and universities.
8. We ask SDS to work with SFC in ensuring that apprenticeship funding in FE and HE is clearly understood.

### Modern Apprenticeships

9. Modern Apprenticeships (MAs) are well established and critical to our Youth Employment and Economic strategies. Apprenticeships deliver against our dual aims of supporting economic growth and addressing youth unemployment. They support growth and STEM sectors while providing real employment opportunities for young people and taking account of demographic change and employer demand.
  - SDS should provide at least 28,000 new Modern Apprenticeship starts including up to 887 Graduate Apprenticeships in 2018/19, as we continue our managed expansion towards 30,000 new starts per year by 2020/21. This is with a view to establishing Graduate Apprenticeships as a significant and sustainable offer. My officials will work closely with SDS to develop further expansion plans in line with available resources.

- As before, the majority of places should to be allocated to young people aged 16-24 across all sectors, including key and supporting sectors and with a particular focus on 16-19 year olds.
- Across 16-24 year olds, priority should continue to be given to higher level frameworks (SCQF 6 and above) and to those in STEM occupations.
- In response to industry need SDS should increase the focus on the offer of MA opportunities for those aged 25+, in key and supporting sectors.
- Consideration should be given to how, within the parameters of public procurement legislation, the MA contracting process could be adapted to facilitate the development of a stronger and higher quality training provider supply chain.
- Continue to offer an open and transparent commissioning process for National Training Programmes and apprenticeships.
- Continue to provide additional funding for remote rural apprenticeships in line with Scottish Governance guidance.
- Provide support to public sector organisations able to access apprenticeship funding through initiatives such as, but not limited to, continuation and on-going development of the Public Sector Network, to promote the up-take of apprenticeships in the public sector.
- Promote and provide enhanced contribution rates for disabled people and those with experience of care up to the age of 29.
- Continuing to consider (with SG) what other mechanisms may be necessary to achieve aims of the MA Equality Action Plan.

10. Within the context of the Government's strategic commitment to Fair Work I would look to SDS to continue to work with trade unions, employers and other partners to ensure Modern Apprentices are aware of collectively bargained pay rates for individual sectors where these exist. More generally I would look to SDS to consider mechanisms to embed the different dimensions of the Fair Work framework. Specifically I expect SDS to work with Scottish Government officials and other partners on the work started in 2017 on Modern Apprenticeship pay.

### Foundation Apprenticeships

11. In response to the Scottish Government's Youth Employment Strategy, Developing the Young Workforce, SDS is playing a key role in developing new apprenticeship pathways. In partnership with schools, colleges and employers you have expanded the apprenticeship family to incorporate Foundation Apprenticeships, offering young people more pathways to gain valuable work experience and enter sustainable employment.

12. It is important that SDS continues to ensure Foundation Apprenticeships are available across an expanding range of frameworks and in every local authority area in Scotland. In 2018/19, SDS should support 2,600 young people to start a Foundation Apprenticeship, up from 346 starts during 2016/17 and 1,245 in 2017/18. This will support progress toward my commitment to support at least 5,000 new Foundation Apprenticeships starts for young people in academic year 2019/2020, with a view to establishing Foundation Apprenticeships' as a significant and sustainable offer in the senior phase. My officials will work closely with SDS to develop further expansion plans in line with available resources.

We expect SDS to continue monitoring and reporting on the progress of the pathfinder cohorts and to conduct a formative evaluation to capture learning from the pathfinders to inform Foundation Apprenticeships delivery for the current and future cohorts. Longer term,



we recognise that the evaluation of Foundation Apprenticeships will be incorporated into the apprenticeship evaluation framework that you have developed in conjunction with the OECD.

13. Based on learning from the early pathfinders and formative evaluation, you should continue to collaborate with the SG and other partners to review the design and delivery models for Foundation Apprenticeships to ensure that these maximise learner success. Specifically, you should ensure that where learners choose to leave school prior to completion of their Foundation Apprenticeships, all successfully completed units are SQA certified.
14. You should also work with Education Scotland, SQA, schools and colleges, to ensure that pathways into Foundation Apprenticeships exist in all schools and regions, building and extending existing good practice. SDS should work with Education Scotland to establish appropriate mechanisms to evaluate the effectiveness of these and all vocational education delivery in the senior phase of Scottish schools.
15. In addition, we ask SDS to work with SAAB to consider the development of new work based learning offers, including Foundation Apprenticeships, at appropriate levels, to expand the inclusivity of work-based learning as a viable component of and an alternative to traditional academic education.
16. SDS should work in partnership with the DYW National Group (and DYW Regional Groups), business organisations Education Scotland, colleges and local authorities work together to secure employer engagement in schools in driving the growth of Foundation Apprenticeships.

### Graduate Apprenticeships

17. We ask that SDS continues to grow Graduate Apprenticeship opportunities (with a target of up to 887 in 2018/19). This will involve continuing to develop frameworks and to support delivery partners in taking forward Graduate Apprenticeships programmes. We look to SDS to work with all universities, exploring new, innovative and cost effective ways of delivering Graduate Apprenticeships and to work responsively with partners as interest in new frameworks emerge.

### Early Learning and Childcare

18. The expansion of Early Learning and Childcare (ELC) is a key policy for the Scottish Government. It is anticipated that up to 11,000 additional staff need to be recruited and trained for the ELC sector by August 2020. We look to SDS to continue their work supporting this growth sector.
19. Specifically, we ask that SDS continue to increase the number of ELC Modern Apprenticeships, by 10% year on year (subject to demand), as previously agreed, and to develop and pilot a Graduate Apprenticeship for the sector. The increase in financial contributions for modern apprenticeships within SDS resources is most welcome. However, we would be grateful for your assistance in considering what specific support could be given to career changers (over 25s) and those in rural areas. Ensuring that these groups have access to training opportunities will be important in assisting us to meet the workforce requirements of the ELC expansion.
20. I am grateful that you continue to work with colleagues from the Directorate for Children and Families, contributing to a number of cross sector forums to progress this policy, in particular, steering the sector's Skills Investment Plan (SIP), and in the development and implementation of the ELC Workforce Delivery Plan.

21. I also welcome your on-going support in improving the diversity of the ELC workforce by raising the profile and attractiveness of the sector and embedding developing a diverse workforce as a cross cutting theme in all work.

### Equalities and evaluation

22. Across the apprenticeship family, SDS should:

- Continue to develop the evaluation of apprenticeship long term outcomes (ALTO) in order to assess the impact on productivity and inclusive growth.
- Continue to focus on increasing the number of disabled people; ethnic minority groups and care leavers entering Modern Apprenticeships and to tackle apprenticeship areas where there are gender imbalances, as outlined in the Equality Action Plan (EAP) for Modern Apprenticeships
- Going forward, progress plans to extend the EAP to the newer elements of the apprenticeship family.

### Promoting work-based learning

23. Supporting the creation of a world class work-based learning system in Scotland will require changes in long held views and practices of different types of educational experience, and it is vital that SDS continues to engage with key influencers, including teachers, parents and employers, to contribute to system change.

24. The Centre for Work-Based Learning will be a conduit for policy influence and we anticipate that the research output from the centre will be used to influence the skills and learning system. We urge SDS to consolidate the partnership for the Centre for Work-Based Learning in taking forward a programme of work that will position the Centre as an influential voice in the development of work-based learning in Scotland.

25. The PhD programme, initiated by SDS, will also be an important part of a high quality research programme that will also be influential for the policy and practice of work-based learning in Scotland.

26. In addition, to help facilitate system change, SDS should expand the content and reach of its digital service, [www.apprenticeships.scot](http://www.apprenticeships.scot). In the year ahead, we ask SDS to introduce an online account that will enable apprentices to more readily access support and track their progression through their learning journey.

### Apprenticeship Governance

27. A new apprenticeship governance and engagement structure was put in place during 2016/17, to better align and articulate industry demand in apprenticeship design and development, and provide a robust structure to oversee the evolution of the broader apprenticeship family. The Scottish Apprenticeship Advisory Board (SAAB) sits at the heart of this and is designed to give employers and industry a leading role in developing the future of apprenticeships in Scotland. SDS should continue to provide administrative support to SAAB and be responsible for the National Occupational Standards (NOS) on behalf of the Devolved Administrations.

28. In the year ahead, I ask SDS to work with SAAB groups and stakeholders, as follows:

- Through the SAAB Standards and Frameworks group, SDS should continue to work with partners to develop and maintain a future standards architecture to underpin work based learning in Scotland, including the framework approvals process.
- Working with the Employer Equalities group, I ask SDS to support the development and implementation of their work plan to contribute to improved representation of all groups within apprenticeships, with particular focus on those identified in the Youth Employment Strategy. The group's work to advise employers on inclusive workplace practices, recruitment and employee retention practices is also welcomed. I ask SDS, along with the Scottish Government and other stakeholders including SAAB, to explore how the experience of pregnant women and young mothers in accessing, participating in and completing national training programmes might be improved. I also ask that SDS discuss with my officials the most appropriate means of promoting EHRC advice to employers on supporting pregnancy and maternity in the workplace, within the context of other SDS support for business and current resources.
- I also expect SDS to take account of the views of the Employer Engagement group in the development of its work plan. This group should continue to work with SDS to ensure fitness for purpose of apprenticeships.scot, act as ambassadors for apprenticeships and endorse the development of the Apprenticeship Engagement Group.
- The new Apprentice Engagement Group, reporting into the Employer Engagement Group, will play an ambassadorial and consultative role in promoting and raising awareness of apprenticeships and their benefits, engaging with parents and helping to shape the information, advice and guidance provided through careers services.

### Career information, advice and guidance

29. The decisions young people make as they journey towards and into work must be informed by high quality, early advice on sustainable labour market opportunities and the range of appropriate educational and training options available. The **Career Education Standard 3-18** sets out how we expect this to be achieved.

30. SDS has already made significant changes to its service offer in schools to meet these expectations, including support for capacity building of teachers in P5-P7, **transition** support for P7/S1 pupils and support to make **subject choices** in S2/S3, all supported by complementary digital content on **My World of Work**. I expect SDS to continue working with education partners to ensure alignment of career management skills development and the CES with the school curriculum and to support capacity building for teachers and practitioners. This will include embedding learning from the on-going programme of **Education Scotland CIAG reviews**.

31. Our Developing Young Workforce **Youth Employment Strategy** underlines our commitment to ensuring all our young people, regardless of their challenges, have fair access to the employment, learning or training opportunities available to them. At the heart of this is the successful delivery of the **Opportunities for All** (OFA) commitment for 16-19 year olds and increasing the numbers of young people up to the age of 24 making successful transitions into learning, training and work.

32. SDS is central to the re-engagement of unemployed young people, particularly those aged 16-19 (and up to 26th birthday for those with care experience). SDS should continue to

embed and continuously improve its 'Next Steps' services to meet the needs of those requiring support to make a successful and sustained post-school transition, ensuring that this aligns with other delivery partners.

33. SDS is also contributing to specific improvements identified in the Learner Journey review.
34. SDS should continue to work with DYW Regional Groups to develop Marketplace, providing teacher access to offers for pupils and further developing this functionality to allow young people (Nextsteps, college, secondary and primary) direct access.
35. SDS should develop a qualifications calculator which can be housed on the veterans landing page on MyWoW to help armed forces leavers translate their military qualifications into civilian/open market equivalents.

#### Data Sharing and the Participation Measure

36. SDS is central to our ability to report on the success of the OFA policy. SDS' maintenance of the **shared dataset** and management of multi-partner data sharing through the **16+ Data Hub** allows tracking and monitoring of young peoples' transitions to ensure resources and services are appropriately developed and targeted at individuals with the greatest need.
37. I expect SDS to continue its work with strategic partners to continue to track, publish and promote the post-16 Participation Measure. This is now the key measure in Scotland Performs for tracking the proportion of young people in learning, training or work.
38. I also expect SDS to work with my officials and partners to further improve the quality of the shared dataset through data sharing with HMRC (employment status) and third sector organisations. The scope to expand the data set to include all 16-24 year olds should also be investigated.
39. Furthermore, SDS should look to increase the flexibility of the management information system underpinning the shared dataset (CSS) to provide partners and stakeholders with direct and more flexible access in order to maintain and make best use of the data held, in line with GDPR guidelines.

#### Redundancy support

40. For those individuals facing redundancy, the continued support through our **Partnership Action for Continuing Employment (PACE)** initiative remains critical. As in previous years, we remain committed to continuous improvement in the PACE programme and of particular interest in the year ahead is improved reporting and tracking of the destinations and outcomes of those individuals who have received PACE support, where it is possible to do so. My officials will continue to liaise with PACE Partners during 2018/19 to monitor the demand for PACE and the scale, nature and quality of PACE services to help inform the future development and delivery of PACE support.
41. As the lead delivery partner for PACE, SDS should continue to work with the Scottish Government and PACE Partners to identify ways to increase the 'reach' of PACE activity and support for individuals facing redundancy situations. SDS will also be expected to contribute to any taskforces/bodies that are set up in response to economic shocks.
42. Linked to this, SDS should continue to deliver the **Transition Training Fund (TTF)**, providing support to those who face losing their jobs in the oil and gas sector to transition into other roles in the sector or other energy and manufacturing opportunities. With funding

of £12m over three years (2016-2019), TTF offers grants to individuals to support redeployment through retraining or further education, procured training and provide support to special projects.

43. I also expect SDS to continue supporting redundant Modern Apprentices back into an apprenticeship or alternative positive opportunity. As part of this, SDS will continue to manage the **Adopt an Apprentice** initiative, offering £2,000 to employers who take on redundant apprentices, rising to £5,000 for employers taking on a redundant apprentice in the oil and gas sector.

### **SG Strategic priority**

**FAIR WORK:** Support employers to grow, through the promotion of business models that encourage the creation of sustainable and productive jobs.

### **SDS Outcome**

Employers have high performing, highly productive, fair and equal workplaces

### **Employer engagement**

44. At a strategic level, engaging with employers remains critical in driving fundamental change in our skills system. We expect SDS to contribute to this through the Scottish Apprenticeship Advisory Board (SAAB), offering full support for its administrative structures.

45. With the support and guidance of SAAB, we look to SDS to engage with employers to promote the importance of, and manage demand for the recruitment of apprentices.

46. As part of this, we expect SDS to continue to assist us in articulating a strong case around the benefits of employing and developing young people – informing the choices they make, preparing them for the workplace and supporting them into work. I expect SDS to continue to work with my officials to promote **Investors in Young People** (IiYP) and to contribute to the on-going work of the industry-led DYW Regional and National Groups to ensure the involvement of employers in shaping education.

47. We anticipate that **Marketplace**, the online digital platform to further encourage and improve engagement between employers and education, will be rolled out across DYW Regional Groups to increase the number of schools that are actively engaging with employers. Through direct technical improvement of the platform, provision of skills investment planning data and national LMI, you will support continuing development of this platform. In addition to the development of Marketplace, SDS should work together with DYW regional groups and Founders 4 Schools to develop a joined-up approach to reporting across both of the systems.

48. I also expect SDS to raise awareness of the financial incentives and advisory help available to companies to invest in the recruitment and development of young people, including HM Forces Early Service Leavers. I ask SDS to place emphasis on the benefits of recruiting and supporting a **diverse workforce**, articulating the case for employing and developing young people with the greatest barriers to employment, and raising awareness of the available support. As part of this, SDS should raise the profile of the **Carer Positive** scheme with employers to increase awareness of the benefits of recruiting a young carer.

49. As well as engaging with employers to determine industry skills needs, SDS also has a key role in helping employers meet their more immediate skills and training needs. To support this, SDS should continue to work with Re:markable (previously Investors in People Scotland) to deliver the **Skills for Growth Programme**.

50. Building on the recommendations of the Fair Work Convention, I ask that SDS works with partners to develop the evidence base on fair work to inform policy and practice, and uses its relationships with businesses and wider organisations, and its own role as an exemplar, to promote and enhance better working practices in Scotland, as set out in the Fair Work Framework, thereby supporting inclusive and sustainable economic growth. I ask that SDS applies Fair Work principles outlined in the Fair Work Framework, within its own organisation and with its own staff. This should also include active promotion of the **Living Wage** and **Scottish Business Pledge**.
51. Together with SE, HIE and other partners, SDS should develop a joint improvement programme to deliver a cohesive system of business support across the agencies and key partners (including innovation, exporting, skills) differentiated across regions.
52. To support your engagement with employers, I ask that you continue to maintain **Our Skillsforce** as the digital channel for provision of advice and information to employers on the support available from SDS and partners. Alongside this, I also ask SDS to continue collaborating with Scottish Enterprise, Highlands and Islands Enterprise and Business Gateway to develop a shared CRM to support alignment of your activity. I encourage SDS to work with my officials and partners on the Digital Business Enablement, as detailed further in paragraph 77.
53. SDS should also provide support for account managers from the other agencies to enhance their understanding of the skills services offered through SDS.

### **SG strategic priority**

**EQUAL OPPORTUNITIES** – Place equality and diversity at the very heart of SDS activity to drive forward change that will make an enduring difference

### **SDS Outcome**

Increased equality of opportunity for all.

54. Our economic strategy hinges on the principle that sustainable economic growth and reducing long term inequalities are complementary objectives. We aim to create a society that promotes inclusive growth and provides economic opportunities through a fair and equal jobs market.
55. SDS is already demonstrating its commitment to encouraging greater levels of participation from under-represented groups in our skills programmes. Across all of the areas of SDS' work, I would like to see a continuing focus on tackling inequality and improving access to its programmes.
56. Your Equalities Action Plan (EAP) for Modern Apprenticeships in Scotland, published in 2015, set out a series of actions and targets. Progress is already being achieved in some areas, and I expect SDS to continue monitoring and reporting on progress against the EAP and against the outcomes identified in your Equality and Diversity Mainstreaming Report<sup>1</sup>.
57. I recognise that some of the equality challenges identified in the EAP reflects deep seated issues in the labour market and wider society and that it will take time to achieve significant change. However, I also believe that the MA and wider work-based learning programme has a key contribution to make in achieving that change.

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<sup>1</sup> In line with the Public Sector Equality Duty contained within the Equality Act 2010

58. SDS should also continue to collaborate with the SFC, Education Scotland and other strategic partners in delivering respective gender action plans to achieve the recommendations of DYW relating to gender imbalance in apprenticeships and colleges.

59. SDS also has a significant contribution to make in tackling inequality:

- Fairer Scotland for Disabled People Delivery Plan – This government has a stated ambition of halving the disability employment gap and I would expect SDS to contribute to the delivery of this through the Fairer Scotland for Disabled People Delivery Plan and the SDS Modern Apprenticeship Equality Action Plan.
- I ask you to continue to take into account related government initiatives, including in relation to the Race Equality Framework, Race Equality Action Plan.
- As a Statutory Community Justice partner, I expect SDS to continue to work closely with the other partners to promote and communicate better understanding of, and access to, our existing services for **those individuals going through the criminal justice system or with an offending history**, to shape and support the delivery of the new model for community justice in all Local Authority areas.
- We are committed to improving the education and employment outcomes of those with **experience of the care system**. I am encouraged by the commitments in your Corporate Parenting Plan and expect you to report on progress for the period 2015-18 and publish a new 2018-2021 plan during the year.
- You have been recognised as a **Carer Positive** Engaged Employer and should consider how best to promote the benefits of recruiting Young Carers under the Carer Positive scheme across the breadth of SDS activity
- I also expect you to continue to respond to the recommendations of the Scottish Veterans Commissioner in addressing the particular needs of **ex-service men and women**, when seeking to transition from Service to civilian life to gain a fulfilling second career and for wider support in getting veterans into work.
- I ask SDS to work with individuals and employers to address employment inequalities, discrimination and barriers. This includes working in partnership with Government and other agencies to ensure that employment opportunities for women and people from ethnic minority backgrounds are increased, the causes of pay gaps are tackled and progress is made towards reducing, by at least half, the employment gap between disabled people and the rest of the working age population.
- We welcome SDS supporting the aims of Scotland's Energy Efficiency Programme (SEEP) through participation in its skills short life working group and we will work with SDS to build on this and take forward actions for its implementation. This working group is specifically looking at the skills, capacity and quality assurance requirements of SEEP in the short, medium and longer term.
- SDS should also consider the recommendations stemming from the British Sign Language National Plan 2017-23 with regard to the accessibility of SDS services.

### **SG strategic priority**

**HIGH EMPLOYMENT AND LOW UNEMPLOYMENT:** Delivering against the devolution of contracted employment support to provide an integrated and aligned system, which provides equality of opportunity to access work and coordinated support to ensure everyone is able to maximise their potential

## SDS Outcomes

People have the right skills and confidence to secure good work, progress in their careers and achieve their potential

Increased equality of opportunity for all.

### Employability support

60. SDS has worked collaboratively with SG officials and providers to develop the policy and delivery model for the transitional Work Able Scotland (WAS) programme, for individuals with a health condition, who want to work, but require support to move into sustained employment.

61. During 2018/19 SDS focus should move to managing the remaining customers through the service, working with Providers in order to convert starts into job outcomes, whilst continuing to record and share performance and outcome data in line with the reporting requirements agreed by the WAS Delivery Assurance Group. SDS should also work with my officials to support the joint evaluation of the transitional employability service.

62. Building on the expanded reach of its career services, SDS plays a critical role in supporting the further development of employability skills for those who need additional support to make successful transitions in their learner and employee journey. The training programmes managed by SDS make an important contribution to aligning individual aspirations with the needs of employers and the wider economy:

- The **Employability Fund** - through its contracted providers SDS will deliver 9,000 training starts for unemployed people of all ages in 2018/19, commissioned with local partners to align customer need with local labour market demand.
- The **Certificate of Work Readiness** – I encourage SDS to continue working with employers, training providers and other partners to increase the uptake of CWR as a positive route for young people to demonstrate readiness for starting work. I would also encourage SDS to consider the suitability of further development of the CWR.
- The **National Third Sector Fund** – I expect SDS to continue to work with third sector and social enterprises in Scotland to develop and deliver the Social Enterprise and Third Sector Challenge Fund. I expect SDS to ensure that the support offered through this fund adds value to existing interventions and maximises the opportunities available through ESF.
- **SERI** – I ask SDS to continue to work with local authorities in the administration and delivery of Scotland's Employer Recruitment Incentive (SERI), offering support to up to 550 individuals, with the greatest barriers to employment, to obtain and remain in sustainable employment (including MAs).
- **Open Doors** – If appropriate I ask SDS to continue to support the delivery of in-work support for the most disadvantaged that may be offered by the Open Doors Consortium. Fair Work and Skills officials will continue to work with Open Doors and will seek my approval before any grant offer is issued. If a grant relationship is established transfers of the agreed level of finance will be agreed separately.
- **Individual Training Accounts** - provide a flexible training option for those who are unemployed and for those in low paid, low skilled jobs, helping to address in-work poverty. In the year ahead I expect SDS to support up to 18,500 new training places



and to review programme outcomes in line with a commitment to continuous improvement in programme delivery.

- The Scottish Government is placing a renewed focus on adult literacy and numeracy. To support this, I ask that SDS maintains the current 'Big Plus' presence on My World of Work and also works with my officials to contribute to their thinking around future campaigns

### **SG Strategic priority**

**Collaborative Working:** An enhanced culture of collaborative working with enterprise and skills agencies and other stakeholders.

### **SDS Outcome**

SDS works alongside partners and others to achieve the Scottish Government's expectation of hard alignment across the enterprise and skills agencies.

### **Relationships with other partners**

63. I look to SDS to continue to work with other stakeholders including local authorities, colleges and other training providers. Where possible, SDS should draw on other enterprise and skills agencies' expertise and networks to achieve more productive relationships.

64. In developing and delivering the services described in this letter, SDS works with a wide range of partners locally, regionally and nationally and, many of which have been referenced earlier. Closer partnership working is critical to delivering better and more cost-effective services and I welcome SDS' continued commitment to such an approach, as set out in your Corporate Plan.

65. Operationally, I expect SDS as a named statutory partner in community planning to continue to work closely with Community Planning Partnerships<sup>2</sup> in the development and delivery of their collaboratively agreed Local Outcomes Improvement Plans and locality plans and SFC for college outcome agreements, in co-commissioning the Employability Fund and in the delivery of SERI and other partners who are able to assist them in improving outcomes and reducing inequalities. SDS should make use of the opportunities afforded by collaborative working with Community Planning Partnerships to pursue its own outcome responsibilities, and in how it reflects collaboratively agreed priorities in its own work.

66. In delivering CIAG, SDS should also continue working closely with schools, teachers, local authorities and Education Scotland and via the Curriculum for Excellence Management Board to implement our DYW recommendations in schools and should help develop and be responsive to output from the 15-24 Learner Journey Review in relation to CIAG. As noted earlier, I also expect SDS to collaborate with community justice partners, corporate parents and other stakeholders to drive improvement and better outcomes for groups with identified disadvantage.

### **SG Strategic priority**

**High performing public body:** SDS operates as a highly effective public body working collaboratively with others to maximise its impact on individuals, society and the economy

### **SDS Outcome**

SDS is an employer of choice, an exemplar of fair work and internationally recognised for excellence, innovation and customer-focus

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<sup>2</sup> In line with statutory community planning duties under Part 2 of the Community Empowerment (Scotland) Act 2015

## Planning, Performance and Evaluation

67. To provide the planning, data and analytical support the new Strategic Board will need, a new analytical unit will function as part of a wider, distributed system that will include agency boards, regional partnerships and others. I expect SDS to be supportive of exploring options to contribute to the staffing of this unit. Through the Analytical Co-ordination Group, SDS is already contributing effectively to the unit's initial work plan and I ask SDS to continue working with my officials and agency colleagues to create strategic level insight, and provide planning and analytical capacity to enable the new board to deliver a strategic plan, with a single set of outcomes, and to monitor and evaluate the effectiveness of this plan in delivering sustainable and inclusive growth.
68. I expect SDS to be able to report on its delivery and programme outcomes, across all of its activities, including the EAP commitments stemming from the Youth Employment Strategy, and in doing so, to demonstrate alignment with and progress against relevant performance frameworks, including for the purposes of the Strategic Board.
69. I also expect SDS to continue **managing data and statistics** in line with guidance for official statistics, providing continued assurance to the public on the robustness of programme data. This will include continued collaboration with my officials, when publishing statistics on work-based learning and employability programmes and the Participation Measure.
70. As part of its data management processes, SDS should aim for **continuous improvement** in reporting in key areas. SDS should also continue to deliver high level public reporting of TTF.
71. The Scottish Government values **high quality and wide-ranging research** conducted, and feedback gathered, by SDS about the services they deliver. Within the context of the analytical work stream described above, I ask SDS to continue a programme of customer research and project evaluation, sharing these findings as appropriate with Scottish Government and other partners, to inform improvements in service delivery.
72. SDS should also continue its joint work with my officials to secure HMRC data to progress the long term educational outcomes project (LEO) and implement the Apprenticeships Long Term Outcomes (ALTO) framework, both of which will provide important insights for the learner journey review and the skills alignment model.
73. In addition, I encourage SDS to work with the recently established Centre for Work Based Learning to develop new programmes of research to support the development and delivery of high quality work-based learning and to challenge current thinking, perceptions and attitudes of individuals, parents, teachers and employers. I understand that research will take place across four identified streams of activity:
- **Futures:** understanding the skills, knowledge and capability required by industry and the labour market of the future.
  - **Impact:** measuring the impact of apprenticeships on the economy and society.
  - **Learner Journey:** designing and building an effective work-based learning system.
  - **Influencing change:** engaging and changing the system for learners and employers by working with a broad range of stakeholders, and Scottish Government policy makers.

74. In close partnership with Education Scotland, you should continue to develop and improve quality assurance processes in relation to the quality of the off-the-job training elements of MAs and the delivery of CIAG services. I expect these quality assurance mechanisms to be robust, fit for purpose and proportionate. They should ensure value for money and clearly inform and support continuous service improvement, both by SDS and, where appropriate, by other partners involved in the overall delivery of MAs and CIAG.

### 2018 Year of Young People

75. In line with the Aims and Objectives of the 2018 Year of Young People, SDS should actively seek to work in partnership with other partners, including schools, teachers, local authorities, Youth Organisations, Education Scotland and young people themselves to ensure young people have a platform to have their views heard and acted upon, and that they will have a key role in the development and delivery of activities ensuring an inclusive approach is taken throughout the Year and beyond, creating a lasting legacy

### Leaders, Innovators and Exemplar Employers

76. Ministers have been clear that public bodies should lead the way in Fair Work, ensuring access to work that offers effective voice, opportunity, respect, fulfilment and security of employment. SDS is an accredited Living Wage (LW) employer and I ask you to build on this by encouraging the employers you engage with to become LW accredited employers. I welcome the emphasis on this in SDS' Corporate Plan. I also expect SDS to maintain its accreditation as both a Living Wage employer and an Investor in Young People and improve and reinforce equality and diversity among Board Members<sup>3</sup>.

### Digital Enablement

77. I ask SDS to continue managing and developing the shared Enterprise IS service between SDS, HIE and SE, ensuring that these agencies have access to the digital technology that supports effective customer delivery and delivers the best possible information solutions that support performance management and decision-taking. This type of shared service is critical to achieving the aims of the enterprise and skills review. Areas of focus should include the joint employer CRM system and continued collaboration and alignment of employer-facing digital services, with delivery of a web service during 2018/19.

78. SDS should continue to explore shared services with existing partners and should investigate and develop new public sector partnerships.

79. Digital transformation and enablement continues to influence how we deliver public services. We ask SDS to continue to develop and integrate customer-responsive systems across its operations – internally and for customer facing services. This approach works to understand user requirements and provide them with appropriate information to meet their needs, making services more user-specific friendly.

80. With an expanding digital offer and greater reliance on digital networks, it is important that our public agencies have effective cyber resilience measures in place. Digital networks make it possible to provide innovative and integrated public services that deliver to those in most need and promote growth. It is, however, crucial that cyber risk is planned and budgeted for when providing these services. This will help to keep citizens confident in accessing digital public services. In November 2017, we published our Public Sector Action

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<sup>3</sup> In line with The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016

Plan, following the release of our Cyber Resilience Strategy for Scotland<sup>4</sup> in 2015. We ask that SDS take appropriate steps to implement the plan, in line with the timelines set.

### Carbon Management

81. We expect our public bodies to lead by example in combating climate change and making a valuable contribution towards achieving our ambitious emission reduction target of 80% by 2050. There is now a duty, under sections 46 and 96 of the Climate Change (Scotland) Act 2009, for public bodies to submit annual reports on compliance with climate change duties.

### Spending Review

82. We will continue to work with SDS during the 2018/19 spending review and in subsequent years, liaising with the Executive Team when appropriate.

83. We continue to expect all public bodies to deliver efficiency savings, to be reinvested back into the business, of at least 3% during 2018/19, in line with our efficiency targets and the Public Services Reform (Scotland) Act 2010).

### European Funding

84. In collaboration with the SFC and other partners, I expect SDS to continue to maximise the opportunities available through the current European Funding programme, paying particular attention to your responsibility to comply with regulations and audit procedures.

85. Between April 2018 and March 2019 SDS will continue to manage its European Social Fund (ESF) programme. SDS is one of two lead partners (the other SFC) funded to deliver a Strategic Intervention (SI) for the Developing Scotland's Workforce (DSW) priority of the ESF programme. The SDS SI supports a programme of activity to develop and expand delivery of the new Foundation and Graduate Apprenticeships and deliver and expand Modern Apprenticeships. This programme of work is being delivered pan Scotland and designed to deliver higher level skills (EC ISCED Level 3 and above) to meet employer national and regional demand aligned to Scotland's Smart Specialisation sectors and key growth sectors in Scotland.

**JOHN SWINNEY**

**Deputy First Minister and Cabinet Secretary for Education and Skills**

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<sup>4</sup> Safe, Secure and Prosperous: A Cyber Resilience Strategy for Scotland: <http://www.gov.scot/Resource/0048/00489206.pdf>

## **COPY LIST**

Jamie Hepburn, Minister for Employability and Training  
Keith Brown, Cabinet Secretary for the Economy, Jobs and Fair Work  
Paul Wheelhouse, Minister for Business, Innovation and Energy  
James Dornan, Convener to the Education and Skills Committee  
Roz Thomson, Clerk to the Education and Skills Committee  
Gordon Lindhurst, Convener to the Economy, Jobs and Fair Work Committee  
Alison Walker, Clerk to the Economy, Jobs and Fair Work Committee,  
Nora Senior – Chair, Enterprise & Skills Strategic Board  
COSLA: Sally Loudon, Chief Executive  
SE: Paul Lewis, Chief Executive (Acting); Bob Keiller, Chair  
HIE: Charlotte Wright, Chief Executive; Lorne Crerar, Chair  
SFC: Dr John Kemp, Chief Executive (Acting); Mike Cantlay, Chair  
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Federation of Small Businesses: Andy Willox OBE, Scottish Policy Convener  
CBI – Scotland: Tracy Black, Director for Scotland  
ADES: Maureen McKenna President; John Stodter General Secretary  
Visit Scotland: Malcolm Roughead, Chief Executive; Lord Thurso, Chair  
Russel Griggs, Chair, South of Scotland Economic Partnership

Issue	Further information	Basis of request
Community Planning	We expect those public bodies that will be subject to statutory community planning duties under Part 2 of the <a href="#">Community Empowerment (Scotland) Act 2015</a> to work with other partner bodies and communities within <b>Community Planning Partnerships</b> to identify, resource and manage effective delivery of shared priority outcomes for their localities. Other public bodies should consider and take reasonable steps to pursue opportunities for partnership working with other bodies, including local authorities, wherever this can support your respective business objectives.	Page 13 of the PfG; the Community Empowerment (Scotland) Act 2015
Digital services	Digital technology is a powerful enabler for improving public services and driving down the costs of delivery. We expect public bodies to deliver against <a href="#">Scotland's Digital Future: Delivery of Public Services</a> by ensuring that digital transformation is embedded within your business strategy and corporate plan. In developing your digital public services, you should consider opportunities to support or benefit from the development of Scotland's national digital ecosystem. If you wish to assess the digital maturity of your organisation, develop business cases/procurements for digital services, or source expert digital staff, please contact the Central Government Digital Transformation Service. Such business change can be challenging and we therefore expect all bodies to make effective use of the <a href="#">Central Government ICT Project and Programme Assurance Framework</a> .	Page 28 of the PfG; Scotland's Digital Future: Delivery of Public Services
Diversity on boards	<p>Most public bodies with boards have signed up to the commitment – <b>50:50 by 2020</b> – to improve diversity on boards including working towards gender balance on boards by 2020. As of April 2017 listed public authorities are required to publish the gender composition of their boards and to produce succession plans to increase the diversity of their boards by virtue of The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016. Guidance to support listed public authorities to implement the new duty will be developed by the Equality and Human Rights Commission and the Scottish Government. In addition, the new regulations also amend the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 by lowering the threshold for a listed public authority to report their gender pay gap and publish equal statements etc. from those authorities with more than 150 employees to those with more than 20 employees.</p> <p>You are encouraged to take positive action to support and enable greater diversity of Ministerial appointments, through:</p> <ul style="list-style-type: none"> <li>• taking an active role in succession planning, and providing advice to Ministers about the board's membership needs, both for new and re-appointments;</li> <li>• ensuring that suggested criteria for the selection of new board members meet the needs of the body, are unbiased and are not unnecessarily restrictive;</li> <li>• taking action both during and between board member recruitment exercises to attract the broadest range of candidates to the work of the board;</li> <li>• providing mentoring, shadowing and training opportunities for potential board members; and</li> <li>• considering the role of nominations committees.</li> </ul>	Page 35 of the PfG
Equality	<p>Public bodies are reminded of the Public Sector Equality Duty (PSED) contained within the Equality Act 2010.</p> <p>Those bodies that are listed within the <a href="#">Scottish specific equality duties</a> are legally required to:</p> <ul style="list-style-type: none"> <li>• report on progress in mainstreaming the PSED in to the main business of the organisation;</li> <li>• set, every 4 years, equality outcomes and report on progress every 2 years. We would expect to see within the business plans of the listed bodies clear links to their equality outcomes;</li> <li>• impact assess new and revised policies and practices as well as making</li> </ul>	Public Sector Equality Duty within the Equality Act 2010 and the Scottish specific equality duties

	<p>arrangements for reviewing existing policies and practices;</p> <ul style="list-style-type: none"> <li>gather and use and publish employee information;</li> <li>publish gender gap information (race and disability also from 2017) and an equal pay statement; and</li> <li>consider adding equality award criteria and contract considerations into procurement exercises.</li> </ul>	
Living Wage	Public bodies are encouraged to become <a href="#">Accredited Living Wage Employers</a> , paying the <b>Living Wage</b> to their employees and people involved in delivering public contracts. We published <a href="#">statutory guidance</a> for public bodies on how workforce-related matters, including the Living Wage, may be taken into account in public procurement processes.	Page 37 of the PfG
Young Workforce	You have a vital role to play in working with us to implement the Scottish Government's youth employment strategy, Developing the Young Workforce, for example, by recruiting and training young people, working towards achieving the Investors in Young People gold standard and engaging with the education system to provide development opportunities for young people. Development of procurement policies that encourage more employers to contribute to the development of Scotland's young people.	Cabinet Secretary for Fair Work, Skills and Training's letter to public bodies of 15 December 2014
Fair work	You will know that the Government previously commissioned the <a href="#">Working Together Review</a> to examine progressive workplace policies and published a <a href="#">formal response</a> in August 2015. We asked you to have regard to that report and the recommendation that public bodies should report publicly on their approach to industrial relations and its impact on workplace and workforce matters. A key part of the response was the establishment of the independent <a href="#">Fair Work Convention</a> , who published their blueprint for fair work in Scotland in March 2016.	Page 37 of the PfG; Working Together Review: Progressive Workplace Policies in Scotland
Low Carbon sector and combating climate change	We look to all public bodies to help realise the significant opportunity for growing the <b>low carbon sector</b> both through leadership and directly through reduction of energy demand and integration of low carbon and renewable heat and energy technologies across estates. More generally, we expect our public bodies to lead by example in <b>combating climate change</b> and making a valuable contribution towards achieving our ambitious emission reduction target of 80% by 2050. 2017/18 will mark the third year of mandatory reporting from 180 listed public bodies on compliance with climate change duties. The mandatory reports for 2017/18 are due to be submitted to SG by 30 Nov 2018. Reporting advice, tools, guidance and training are available from the <a href="#">Sustainable Scotland Network (SSN)</a> .	Pages 30-31 of the PfG; policy proposal to bring into force a public body duties reporting requirement under <a href="#">sections 46 and 96 of the Climate Change (Scotland) Act 2009</a>
Efficiency	Although not explicitly mentioned in the Programme for Government, <b>we continue to expect every public body to deliver efficiency savings of at least 3% per annum</b> and to report publicly on the actions undertaken and the results achieved.	<a href="#">Efficient Government section of SG website</a>