

## DRAFT BUDGET 2014-15

### FOLLOW UP SUBMISSION FROM SKILLS DEVELOPMENT SCOTLAND ON STRATEGIC FORUM

At the Committee's evidence meeting on 18 September the following exchange took place with SDS (Col. 3269, [www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=8512&mode=pdf](http://www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=8512&mode=pdf)):

**The Convener:** *I have a couple of questions on SDS's budget. You said at the start that you saw your budget allocation as a vote of confidence in the organisation's work but, when we look at the detail, we find that you are getting a 3.6 per cent real-terms cut. Is that a vote of confidence?*

**Gordon McGuinness:** *It is, given where other organisations are and the pressures that are on us. We have made and will continue to make efficiency savings. In the light of discussions that colleagues have had with officials, we are content with the funding that we have got.*

*In some areas, we have been successful in attracting in additional revenue resource from other Government departments. We have done that on the back of developing strong propositions with industry. We are seeking to take that approach. As well as maximising the outputs from the allocations that we get, we are developing propositions and partnerships in an effort to attract in additional investment.*

**The Convener:** *I am interested in the fact that you mentioned efficiency savings. As well as experiencing a top-line cut in your budget, SDS is a member of the strategic forum, which is budgeted to find £40 million of efficiency savings this year and next year. What is SDS's share of that £40 million? How will you find that money?*

**Gordon McGuinness:** *I cannot provide a specific figure. We are taking that forward in partnership. Some of those savings will come from collaborative work such as joint procurement and joint contracts. I cannot give you an accurate figure at this stage, but I could provide the committee with a submission on the issue.*

**The Convener:** *That would be helpful. The figure for the previous year was £25 million. Is SDS on target to meet its share of that £25 million?*

**Gordon McGuinness:** *I think that we are.*

**The Convener:** *It would be helpful if you could get back to us with further information on the issue. In view of the time, we had better call it a day. I thank all the panel members for coming along. It has been very helpful to get your input.*

Response from SDS:

The Strategic Forum (SF) partners initially had a three year programme for the achievement of efficiency savings (from 2012-15). In this year (2013-14), SDS's agreed contribution is £1.5m to the SF partners overall target of £25m. For 2014-15 as previously the SDS contribution will be confirmed ahead of the start of the financial year.

SDS is involved in numerous areas of collaboration with its SF partners. Both in terms of operational delivery, for example through our work with the SFC to support college delivery of improved outcomes for the unemployed, and also through a more

efficient administration and delivery of our services, for example through our work with SE and HIE on shared IT services. I can confirm SDS is on track to deliver its £1.5m contribution this year.

SDS will continue to work collaboratively with its SF partners to support the achievement of on-going efficiency savings.