

A STRONGER SCOTLAND



THE GOVERNMENT'S PROGRAMME
FOR SCOTLAND 2015-16

 TheScottishGovernment

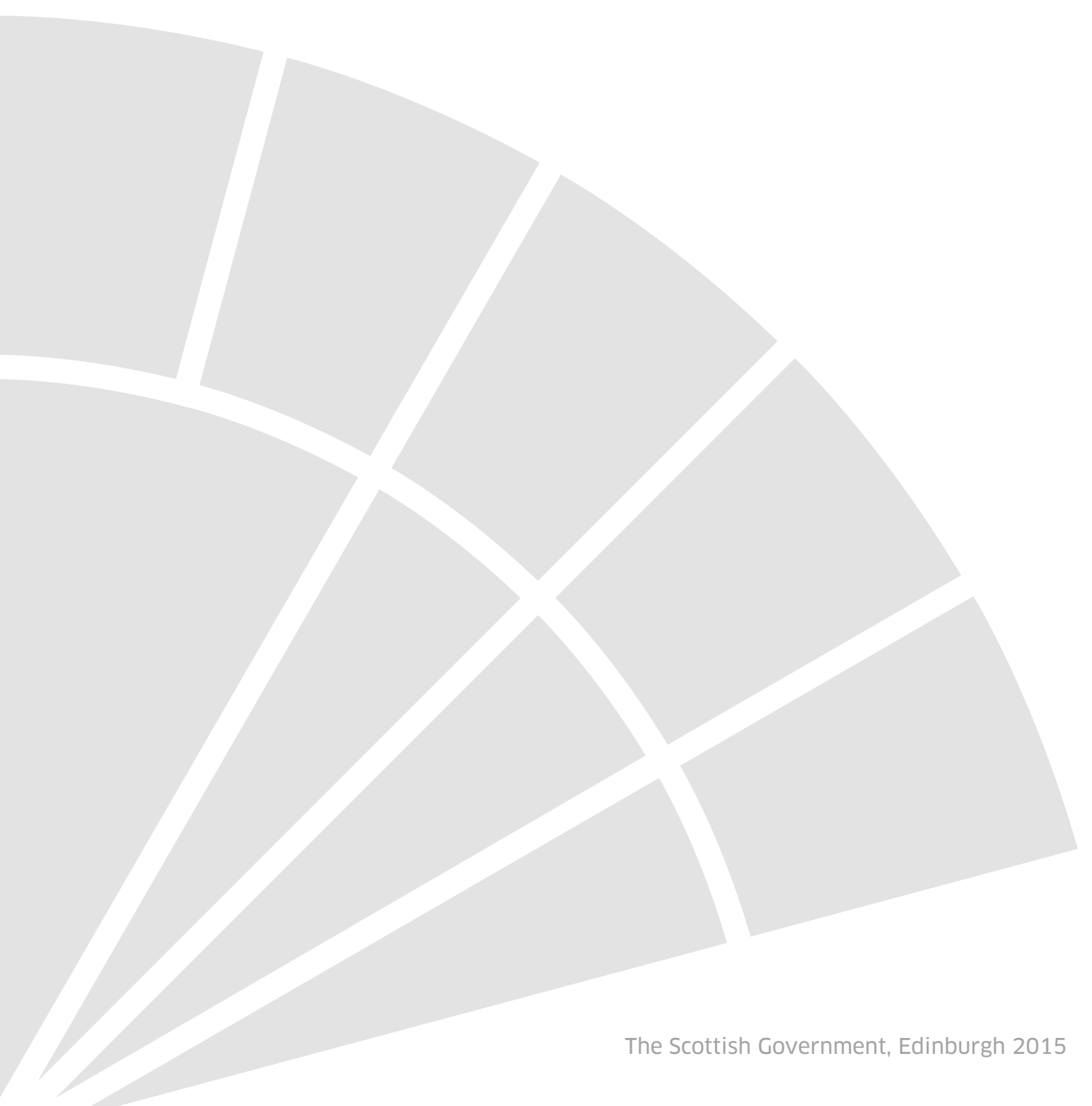
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FOREWORD BY THE FIRST MINISTER



Rt Hon Nicola Sturgeon MSP
First Minister of Scotland

The Programme for Government that we are publishing today builds on a strong record of achievement – it sets out actions for the coming year and a clear vision for the coming decade.

At its centre is a commitment to introduce an Improvement Framework for schools, to help us drive up attainment in all schools, and to close the attainment gap. We aim to ensure that children in all parts of Scotland – whether in our least or our most affluent areas – have a fair chance to flourish.

That ambition encapsulates the themes which run through this document. We want to create a fairer and more prosperous nation, in which opportunities are open to everyone and where because of that, everyone is able to contribute their talent, skill and commitment.

We will make Scotland the best place in the UK to do business – not through a race to the bottom, but by focusing on innovation, skills and productivity.

We will create a fairer country. We will promote a proper living wage, fair work and use new powers to improve the welfare system, mitigating some of the worst impacts of the UK Government's cuts.

And as part of our work to achieve those aims, we will begin the next phase of public service reform – for example by making our unified police service more responsive to the needs of local communities, and transforming primary health care.

The Programme also sets out the legislation we will introduce over the coming year. We will introduce a bill to tackle Abusive Behaviour and Sexual Harm. The Burial and Cremation Bill will meet public concerns, and implement the recommendations of Lord Bonyon's Report on Infant Cremation. The Private Tenancies Bill provides tenants with protection against excessive rent rises, while also giving clear rights and safeguards to landlords.

And the Programme sets out how we intend to use the additional powers which are due to come to the Scottish Parliament. We will take the first steps to delivery of a new social security system and abolish the bedroom tax as soon as we have the power to do so. We will reduce Air Passenger Duty – boosting connectivity and supporting businesses. And we will abolish fees for employment tribunals – ensuring that employees have a fair opportunity to have their case heard.

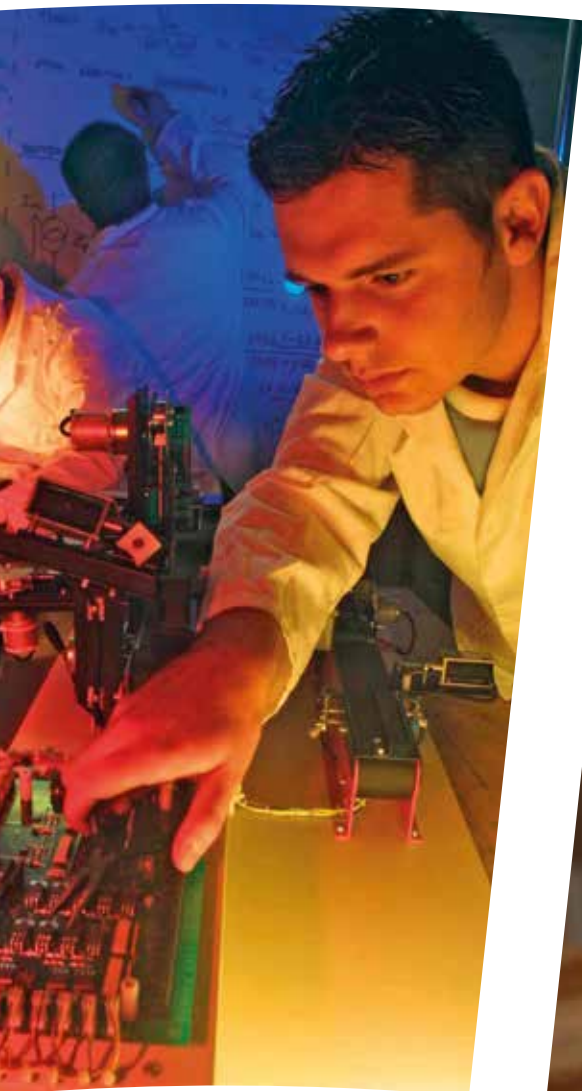
Finally, the Programme for Government sets out our approach to government. I am committed to leading the most accessible Government this country has ever had and I want to ensure that we build on the sense of engagement and enthusiasm that we saw – from both sides of the debate – during last year's referendum. So we will help people to have a bigger say in the decisions that affect them most. During the next year we will consult on legislation to give greater power to our island communities, and invest in our Empowering Communities Fund.

Overall, this Programme for Government demonstrates how enduring values – a belief in enterprise, a faith in the importance of education, a commitment to fairness, equality and solidarity, and a passion for democratic engagement – are being applied to make Scotland a fairer and more prosperous country. It shows how this Government intends to achieve our vision for Scotland's future.



Rt Hon Nicola Sturgeon MSP
First Minister of Scotland

INTRODUCTION AND SUMMARY



01

This Programme for Government sets out the policies, actions and legislation that we will take forward in 2015-16 to deliver our core purpose of creating a more successful country, with opportunities for all of Scotland to flourish, through sustainable and inclusive economic growth, and to equip Scotland for the challenges of the next decade and beyond.

Our record in Government is one of improvement across our public services against the backdrop of reduced public finances. We have undertaken necessary and important, albeit challenging, reforms to our public services, from the integration of health and social care, to the introduction of Curriculum for Excellence in our schools, the reshaping of our college sector to make it fit for the needs of a 21st-century economy, and the establishment of the single fire and police services. Scotland's economy has emerged strongly from the global recession and we now have lower unemployment and higher employment than any other UK nation.

This Programme for Government, although focused on the next Parliamentary year, lays the foundations for the next decade and beyond. It begins to set out the next phase of reform in our public services – the actions we will take to ensure that our education system is world class and that we have the evidence to prove it, that we have an NHS that is organised to meet the demands of changing demographics and ever advancing technology, and a police service that is efficient, effective and enjoys the trust and consent of local communities the length and breadth of Scotland.

We also set out the actions we will take to make Scotland the best place in the UK to do business, not by a race to the bottom on costs, but with a focus on strong productivity, innovation, fair work and internationalisation. And we set out our continued focus on inclusive growth, an approach that will reduce the inequality that still scars our country. In short, this Programme for Government will build on strong foundations, to build a country fit and ready for the challenges of the future.

We will continue to use all the powers at our disposal at any time to deliver the best outcomes we can for the people of Scotland.

Concrete plans are being put in place to use the new powers that will come to Scotland in the current Scotland Bill. We are working to ensure that we bring forward programmes to use these new powers in ways that respond to the needs and expectations of all the people of Scotland. However, while we welcome these additional powers they fall short of what the country needs and the people of Scotland demand. We will therefore continue to press for a more effective set of powers for the Scottish Parliament and Government.

In taking forward all of the activities of Government we will be guided by three underpinning principles: the need to deliver greater **prosperity** for our country; ensuring that there is **fairness** in how our nation's wealth, resources and opportunities are distributed; and making sure that we encourage and facilitate **participation** by everyone in the debates and decisions that matter to them most, regardless of their circumstances or backgrounds.

We have set out our plans in the following chapters:

- **A Stronger and Fairer Scotland**
- **A Strong, Sustainable Economy**
- **Protecting and Reforming Our Public Services**
- **Strengthening Our Communities**

A STRONGER AND FAIRER SCOTLAND

We are fortunate to live in a country where the values of democracy are respected, where the Scottish Parliament and Scottish Government command respect and where the rights of the individual citizen are of paramount importance. Successive generations have built and protected those values and now we must ensure that we enhance that legacy for subsequent generations. We all share that obligation. In Government we never forget that we are accountable to the citizens of Scotland for all that we do in their name.

The Scottish Government fundamentally believes that the decisions which affect Scotland should be made by the people who live and work here. Even though independence is our ultimate goal, we will do all that we can within the current constitutional arrangements to achieve the best outcome for the Scottish people. It is for that reason that we continue to seek additional devolved powers for the Scottish Parliament and Government.

These new powers will help us make further progress in delivering our fundamental objective of making Scotland a much fairer society where social justice and tackling inequality drive all that we do as a Government. We have already achieved much in delivering that vision for Scotland through, for example, our commitment to fair work and the Living Wage; mitigating the worst effects of UK Government welfare cuts; focusing our efforts on tackling poverty; improving employment opportunities for women and young people; and expanding the provision of better housing.

New Powers for the Scottish Parliament

The new powers that have been proposed by the UK Government fall short of what was promised to the people of Scotland. We will continue to demand that those promises are delivered. But at the same time we are acting with pace and creativity to be ready to use the limited powers that are proposed, and we will do so in consultation with others. In particular, we will use those powers to:

- Bring forward **a Social Security Bill** within the first year of the new Parliament to pave the way – as soon as we have the necessary powers – for measures to address weaknesses in Universal Credit, mitigate as far as we can the impact of UK Government welfare cuts and abolish the bedroom tax.
- **Enhance opportunities for employment and inclusive economic growth** by improving support for people to move into employment through reform of the Work Programme and linking employment programmes with training and education. We will introduce a replacement for the Work Programme by April 2017.
- **Abolish fees for employment tribunals.**
- **Reduce the burden of Air Passenger Duty (APD) by 50% with the reduction beginning when we introduce a Scottish APD in 2018.** We are currently consulting with stakeholders on the best way to apply that reduction across new and existing routes.
- Promote equalities by **taking early action on gender balance on public boards.**
- Manage the assets **of the Crown Estate in Scotland** to maximise benefits to the Scottish economy and local communities, in particular the coastal and island communities around Scotland.

From April 2016, under the Scotland Act 2012, the main UK rates of income tax will be reduced by 10p for Scottish taxpayers and in its place the Scottish Parliament will be able to set a Scottish Rate of Income Tax (SRIT) each year.

These income tax powers offer inherently limited flexibility as any rate changes must be applied equally to all tax bands. We continue to argue, therefore, for the transfer of the further income tax powers in the current Scotland Bill at the earliest opportunity. The ability to set thresholds and vary rates by band will allow us to design an income tax policy which supports Scotland's circumstances and is in line with our principles of fair taxation.

A Fairer Scotland

Scotland already does better than the UK on some measures of inequality – for example, it has seen lower levels of income inequality over time. However, we need to do more to address the underlying causes of inequality across the range of issues to ensure we are able to live in a fairer, healthier and happier country, where all people are valued and able to achieve their potential. Whilst the Scottish Government cannot achieve this on its own, we can play a role in creating the right environment and conditions for a fairer Scotland and ensure our own policies and programmes address the underlying causes of inequality. To support this we will launch a **social justice plan** to set out how the Scottish Government will continue to play its part in creating a fairer and more prosperous society.

Scotland is leading the way in the UK in involving young people in the democratic process and in June 2015 our proposals to extend the vote to 16- and 17-year-old voters in the Scottish Parliament and local elections in 2016 and 2017 were passed by the Parliament with all-party support.

Equality and human rights remain at the heart of our vision for a modern, successful Scotland. We will continue to strongly oppose the UK Government's proposals to repeal the Human Rights Act and substitute it with a British Bill of Rights and Responsibilities.

Scotland's Place in the World

The Scottish Government is working to strengthen Scotland's place and standing in the world. For a country of just over 5 million people we command a global reputation and awareness that far outstrips our size. There is enormous potential for us to capitalise yet further on that excellent international reputation. We will strengthen our international profile by building on our external relationships and we will help our companies and others, such as universities, to identify opportunities overseas.

We also have much to contribute to the wider global community by engaging internationally in the areas that are of particular concern to us: gender equality, educational attainment, human rights, international development, climate change and democratic participation.

Scotland's relationship with the European Union is of critical importance to our national interest. The UK Government's plans to hold an in-out referendum pose real risks for Scotland. In the coming year we will seek to influence the UK's EU renegotiation by promoting a positive reform agenda. We will make a strong and principled Scottish case for the UK remaining a member of the EU. We will also seek a higher degree of engagement in EU policy developments and strengthen partnerships with our key EU partners. We will use every lever at our disposal to protect our national interests.

A STRONG, SUSTAINABLE ECONOMY

We will continue to maintain a pro-business environment so that all our businesses, large, medium, small and micro can take full advantage of the opportunities that exist at home and abroad. Our ambition is that Scotland is seen as the best place in the UK to do business for our indigenous companies and inward investors, not through a race to the bottom, but by a focus on skills, productivity, innovation and fair work.

A more inclusive economy is critical to boosting productivity. It underpins all our actions and activities, such as the Living Wage and addressing the educational attainment gap.

The austerity policies of UK Governments caused the recession to be longer and deeper than should have been the case. As a consequence, many individuals and companies in Scotland have suffered greater hardship than they should.

With the powers available to us we have done all we can to mitigate the impacts of recession and austerity on our country. From the targeted use of capital investment in schemes to maximise wider economic benefits, to support for specific sectors and for small and medium-sized enterprises, through to interventions at the individual company level, we and our agencies have been active across all parts of the economy.

We have had 11 consecutive quarters of growth – the longest period since 2001, with output now above pre-recession levels and record numbers in employment. This, in large part, is due to the hard work, talent and entrepreneurial spirit that we see in businesses the length and breadth of the country. The well-established links between higher education and business continue to strengthen, bringing enormous mutual benefit.

We want Scotland to be the most competitive place to do business and to invest in the UK. We will:

- Expand the availability of business finance through the introduction of a **new £40 million fund to provide investment to SMEs**.
- Work with businesses to deliver our **strategy on international trade and investment**.
- Oversee significant **expansion of our digital infrastructure**:
- Continue our major programme of **investment in road, rail and ferries**.
- **Support our businesses to innovate**, especially in collaboration with our universities.
- Support regional economic development through **Regional Partnership Plans supported by new investment of £200,000**.
- **Extend the operation of Enterprise Areas** for a further three years.
- Boost productivity through a new **Manufacturing Action Plan** that will develop leadership and skills and stimulate innovation and investment in Scottish manufacturing sectors.
- Continue to **strengthen social enterprise** and maintain Scotland's reputation as a world leader in this developing field.

We will continue to support the creation of skilled and well-paid job opportunities, particularly for young people, to ensure that the benefits of economic success are shared by everyone. Our plans include:

- **Investing in our skills base**, and especially in digital capabilities.
- Expanding opportunities for young people to prepare for work through **Developing the Young Workforce**, our youth employment strategy.

- **Continuing to support the hugely successful Modern Apprenticeship programme**, having exceeded our target to deliver over 25,000 apprenticeships each year, we will increase the number to 30,000 by 2020.
- **Expanding coverage of the Scottish Business Pledge** – almost 100 companies have already signed up, committing to improve productivity, innovation and fair work.
- Encouraging employers in all sectors in Scotland to embrace the value of fair work in **paying the Living Wage and promoting an engaged, motivated and well-rewarded workforce**.
- **Working with employers to address gender stereotypes** and support more women across the workplace.

PROTECTING AND REFORMING OUR PUBLIC SERVICES

High quality and efficient public services make an essential contribution to having a society that is fair and prosperous. The Scottish Government values the contribution and the commitment of the entire public sector workforce. Far from dismantling public services under the guise of austerity as the UK Government is doing, this Government will continue to work with all our partners, including the third sector, to support the delivery of services that our fellow citizens rely on.

At the same time public services also play a vital role in supporting sustainable, inclusive growth, creating a more equal society. Our public services have supported Scotland through the recession.

Those who deliver public services recognise that the world is changing and that our services need to respond to the changing demands and expectations of the public. The use of digital and online services, changes in the demographic make-up of the population and technological advances are also important factors in thinking about the services that we need and how they are provided. We will continue to work with



our partners on a reform and improvement agenda to make sure that our public services remain fit for purpose and well-tailored to the needs of the individual.

Our approach to government has always been based on belief in the power of people. The Christie Commission told us that public services must be designed with and for people and communities. A sharp focus on performance, prevention and partnership working within and across local government, public services and with third and business sectors and others is required to ensure this happens routinely. Our record of achievement shows our commitment to decisions being taken as close as possible to people. Our approach to reform has, at its core, a desire to engage citizens and seek their participation in the design and delivery of public services. We remain determined to deliver a decisive shift towards earlier intervention and prevention and we recognise that this will require a national collective endeavour.

Education

At the heart of this programme is our approach to education. As the next phase of Curriculum for Excellence, we will develop and implement a **National Improvement Framework for Scottish Education**. The Framework sets out our vision and priorities for Scotland's children and their progress in learning. The purpose of the Framework will be to ensure, in an evidenced and focused way, that our education system is continually improving, that all children are being equipped with the skills they need to get on in the world and that we are making progress in closing the gap in attainment between those in our least or most affluent areas.

At the centre of the National Improvement Framework will be a new system of national, standardised assessment of children in P1, P4, P7 and S3, covering literacy and numeracy. The Framework will also include health and wellbeing. Over time this will replace the sample-based *Scottish Survey of Literacy and Numeracy*. This will bring consistency to the variety of different approaches to assessment currently followed in our 32 local authorities and support teacher judgement which is at the heart of Curriculum for Excellence. We will work with teachers and parents to ensure that the new system does not increase the burden on teachers and that it avoids the disadvantages often associated with systems of testing. We will pilot the new assessments in the areas and schools participating in our Attainment Challenge in 2016, before full national implementation from 2017.

The Framework will allow us to identify areas for improvement in attainment, ensure that we can track progress for our most disadvantaged children and help address inequity. It will enable us to measure progress across the educational system. Using the information from the new approach to assessment, we will report annually on the priorities outlined in the Framework. Interim reports, using available information, will be published later this year and at the end of 2016. The first full Framework report based on the new approach will be published at the end of 2017. These reports will allow us to assess progress and target improvement where that is necessary.

Through the new Attainment Challenge, local authorities are starting to target resources where they are most needed, scale activity and use innovation to raise attainment in their schools. This includes, for example, activity focused on coaching, mentoring and increased parental involvement in education, to ensure all primary school-age pupils, regardless of background, have the best start in life. Over time, other schools can learn and apply approaches that are proven to be successful. 'What works' in terms of raising attainment and closing the attainment gap will be what matters.

To further expand learning opportunities we will continue to implement *Developing the Young Workforce* – Scotland's Youth Employment Strategy, with the aim of reducing youth unemployment by 40% by 2021. Together with local authorities we are supporting schools to play their part in embedding workplace skills in our young people, enhancing careers education, expanding the range of work-based qualifications available for senior phase pupils and encouraging stronger engagement between schools, colleges and employers.

The Scottish Government will also undertake a range of initiatives to improve education and training at all ages. We will:

- **Expand free, high quality early learning and childcare** for 3 and 4 year olds and new cohorts of 2-year old children with plans to increase the entitlement to 1140 hours a year by 2020.
- **Help our children have the best start in life through our 'PlayTalkRead'** programme, providing early learning toys, books and other resources for parents and carers. We are building on this with our **'ReadWriteCount'** campaign which encourages parents and families to include reading, writing and counting in their everyday activities.
- Implement a package of activity to **foster aspiration and give young people the experience and access to role models that can help them achieve** their ambitions with a specific focus on children from deprived backgrounds.

Justice

We attach great importance to having safer and stronger communities, where people feel safe and have confidence that justice and fairness will prevail. When problems and disputes turn into crime and disorder we must ensure we have a fair, swift justice system and a clear penal policy that has the trust and confidence of the public. The law abiding majority must be served by modern justice organisations and an efficient justice system. Our justice system plays a key role in addressing inequality and building community cohesion. We will:

- **Tackle abusive behaviour and sexual offences through a new Abusive Behaviour and Sexual Harm Bill** which will modernise the criminal law to better protect victims and potential victims.
- Introduce **new measures to support victims and witnesses, including** providing wider and more effective access to supportive measures for vulnerable witnesses, such as giving evidence by video link.
- Introduce a **Burial and Cremation Bill to implement the recommendations made by Lord Bonyon's Infant Cremation Commission**, and to modernise the law in this area more generally.

Policing

The successful transition to the new single police service in April 2013 places Scotland at the forefront of UK policing. Recorded crime in Scotland is at a 40-year low with enhanced access to specialist expertise and equipment across Scotland, complementing strong local policing. The single service has already delivered significant savings while protecting our continued commitment to 1000 additional officers from Westminster cuts.

Policing in Scotland is more accountable and under greater scrutiny than ever before and we need to ensure lessons are being learned from the biggest public service reform in a generation to ensure we continue to have open, accountable policing which meets the needs of the people of Scotland now and in the future. We will:

- **Strengthen the community focus of policing.** Policing must be carried out with the support of communities throughout Scotland. We will provide opportunities for members of the public, communities and local police scrutiny committees to discuss and develop new national priorities for policing in Scotland. These national priorities will be agreed and published by Spring 2016 and will provide a clear mandate for the Scottish Police Authority and Police Scotland going forward.
- The Scottish Parliament, the Scottish Police Authority and local scrutiny committees will have a shared responsibility for holding the police to account for the implementation of these priorities.
- **Enhance accountability and scrutiny of policing at a local level.** The Chief Constable will be required to undertake a new programme of public scrutiny sessions to provide more direct accountability for the performance of policing in local areas. These will be organised across three regional groupings with two to three sessions in each region every year. Over time, the aim will be that each local scrutiny committee has the opportunity to host such a session. Through a local scrutiny Summit to be held in September, we will identify further ways to enhance local accountability.
 - Use the opportunity of the appointment of the new Chair of the Scottish Police Authority to **undertake a review of police governance at national level.** This will ensure accountability arrangements for policing take account of the lessons learned during the operation of the single force to date.
 - Work with the Scottish Police Authority to consider the implications of changing demands on Scottish policing by Summer 2016. This will ensure that, in the future, Scotland continues to have a police service which improves the safety and wellbeing of individuals, localities and communities in Scotland.
 - Work with Scottish Police Authority and Police Scotland to ensure **recommendations arising from the HMICS review of call handling are fully implemented.**
 - **Introduce a Statutory Code of Practice for Stop and Search** that puts into practice the recommendations of the independent Advisory Group chaired by John Scott QC.

Health and Social Care

Our National Health Service is one of our most cherished public services. We are steadfast in our belief that the NHS must remain a publicly-funded and publicly-owned service, free at the point of need. We are backing up this belief with record investment of over £12 billion in health in Scotland. How health and social care is delivered in Scotland continues to evolve, whether through the provision of major new hospital facilities or the expansion of the scope of services provided in communities, but the central aim of a healthier Scotland remains.

In common with other developed nations, the NHS in Scotland is serving an ageing population, where people are living longer with more complex health conditions. We also face particular challenges in tackling long-standing health inequalities, and improving the health of the population as a whole. There is clear evidence that delivering as much care as possible at home, or in a homely setting, delivers the best outcomes. That is why we intend to build on our ambitious programme of health and social care integration by embarking on a programme of reform of primary and community care to ensure our NHS develops as a truly Community Health Service.

Under this Government there are over 10,000 more staff working in our NHS and we will continue to support the development of the flexible and well-trained workforce needed to meet the needs of the people of Scotland both now and in the future. Workforce projections for this year show that more than 1000 extra NHS staff are expected to be recruited across Scotland this year, including more than 640 nurses.

But we are committed to going further. We are already working with employers, staff and professional bodies to develop flexible and sustainable services across seven days, building on the services that we already provide every day of the year.

We will:

- Begin the reform of primary and community care by **testing new models of primary care over the coming year in at least 10 sites across urban and rural Scotland**. Those sites will be in Glasgow, Edinburgh, Fife, Tayside, Forth Valley, Campbeltown, West Lochaber, Islay, Mid-Argyll, and Clackmannanshire. We will work with primary care providers to shape the future of primary and community care and during the next Parliamentary term we will roll out best practice across the whole of Scotland to transform and enhance the delivery of primary and community care services through Community Health Hubs.
- Ensure that local community-based services to patients are delivered by the appropriate range of health and social care professionals working together more effectively. This will include **investing our recently announced £60 million Primary Care Fund to transform primary care** building on great examples across the country of providing care for patients at or near home rather than in hospital. This funding will also help to address immediate workload and recruitment issues through long-term, sustainable change.
- **Produce a new National Clinical Strategy for the NHS**, following wide engagement with the health professions and patients' representatives, to set out an overall vision for the development of clinical services over the next 15 to 20 years. It will present evidence of how the health service can be shaped to best support patients and how that change might be shaped at the national, regional and local level.
- **Continue to deploy our £100 million investment in mental health to improve child and adolescent mental health services**, improve access to services and in particular psychological therapies and respond better to mental health needs in community and primary care settings.

- Introduce the initiative 'Our Voice' to **ensure that the views of service users are heard and responded to at every level of the health and social care system.**
- Improve patient safety by **introducing regulation of private healthcare** clinics providing services such as Botox.
- **Introduce the next phase of our Alcohol Framework** in 2016: it will build on the successes of our current Framework and have a clear aim to help tackle health inequalities.
- **Strengthen whistleblowing arrangements** for NHSScotland staff by establishing an independent national officer to review the handling of whistleblowing cases.
- Enable the health visiting service to provide enhanced support, by investing **£41.6 million over four years for additional Health Visitors.**
- The Scottish Government recognises that access to voice equipment is vital to children and adults who find speaking difficult or are at risk of losing their voice. We will therefore bring forward an amendment to the Health Bill that is currently in Parliament to **provide a statutory right to voice equipment when required.**

This Government remains focused on "getting it right for every child" and that includes making sure our most vulnerable children and families get the practical and financial support they need. From October



2015, eligible kinship care families (where family members or friends step in to care for children who can no longer live at home) will receive the same allowance from their local authority as foster carers. This shift will potentially benefit 5200 of Scotland's most vulnerable children in the first year alone. This year, work will also begin to explore and consider how to develop a national kinship care allowance so families can receive the same financial support no matter where they live in Scotland.

STRENGTHENING OUR COMMUNITIES

Scotland's communities are a source of energy, creativity and talent. They are made up of people with rich and diverse backgrounds who each have something to contribute to making Scotland flourish. It is the role of central and local government to help communities to work together and release that potential to create a more prosperous and fairer Scotland. We will only achieve sustainable and inclusive economic growth for all our citizens when they are able to contribute to society at all levels.

The Scottish Parliament passed the Community Empowerment Act in June giving new rights to communities to own land and buildings and our new £19.4 million Empowering Communities Fund has invested in hundreds of community-based organisations supporting thousands of people. The Scottish Government will build on this in the coming year. To pass even more power to our communities, we will:

- **Empower our Island Communities further**, and launch a public consultation on an **Islands Bill** by the end of September, to provide more power, equality and protection for the Islands to allow them to build a more prosperous and fairer future for their communities.
- **Secure the devolution of the Crown Estate to Scotland** to maximise benefits to the Scottish economy and local communities around Scotland.

Homes

Communities flourish when people have good quality, warm, comfortable homes to live in. Despite challenging economic times and cuts to budgets, we are paving the way for a real acceleration of future new housing to help close the gap between need and supply. The Scottish Government continues to deliver progress towards our vision that all people in Scotland live in sustainable homes which they can afford and that meet their needs. We will:

- **Extend support to homebuyers through a successor to our popular Help to Buy (Scotland) scheme**, with a renewed focus on support for affordable home ownership. We shall provide **£195 million over the next three years to give a helping hand to at least 6,500 households buying a new build home**. Help to Buy relies on funding flowing through the Barnett mechanism so we will set out more detail on the scheme's arrangements following the publication of the UK Spending Review in November.
- **Meet and surpass our five-year target to deliver 30,000 affordable homes across Scotland by March 2016**, including a steadily increasing number of new council homes.
- **Review the planning system to increase delivery of high quality housing developments**, by delivering a quicker more accessible and efficient process.
- **Introduce a Private Tenancies Bill that will meet our commitment to give tenants in the private rented sector increased security**, while giving landlords, lenders and investors the confidence to continue investing in the sector. This will provide more predictable rents and protection for tenants against excessive rent increases, including the ability to introduce local rent controls for rent pressure areas.

Land Reform

Using land strategically and sustainably will contribute to a more prosperous and successful nation. Communities most affected by decisions about land must be fully engaged in those decisions. Our current Land Reform Bill is the next step in our ambitious land reform programme. It will:

- Ensure **an effective system of land governance** and ongoing commitment to land reform in Scotland.
- Enhance sustainable development in relation to land and **improve the transparency and accountability of land ownership**.
- Commit to **manage land and rights in land for the common good**, by modernising and improving land ownership and rights over land.

Our Natural Environment

We are proud of Scotland's natural environment and the benefit it provides to Scotland's economy and to the health and wellbeing of visitors and those living here.

We will review the Protection of Wild Mammals (Scotland) Act 2002 to ensure that it is providing the necessary level of protection for foxes and other wild mammals, while at the same time allowing effective and humane control where necessary.

Agriculture and Fishing

Scotland has a vibrant agriculture and rural sector that the Scottish Government supports. During 2015, we will approve new contracts under the Scottish Rural Development Programme to deliver our priorities of sustainable economic growth, protecting the environment, tackling climate change and supporting vibrant rural communities.

The Scottish Government is working with stakeholders to implement new EU Common Agricultural Policy (CAP) requirements, which will tailor European rules to Scottish circumstances and ensure that the CAP contributes to our ambitious climate change targets.

The Scottish sea fishing fleet makes a vital contribution to our coastal and island communities as it harvests our fish stocks sustainably. It can rely on our continuing support. In 2016, we will work closely with fishermen as they adapt to new landing obligations. We will also follow up our response to the independent Wild Fisheries Review by consulting on draft provisions for a Wild Fisheries Bill before the end of the parliamentary session.

Culture and Sport

Our culture and sports make Scotland a special place, helping bring communities together. They can break down barriers between communities and different demographics to help us build stronger communities. They also can play a key role in tackling inequality, building aspiration and supporting the economy. We will:

- Encourage our national collections and performing companies to **find new ways of reaching different audiences**, particularly young people from disadvantaged communities.
- **Invest in cultural infrastructure** following the completion of new facilities at Glasgow's Theatre Royal and Royal Concert Hall and in the construction of the V&A Dundee.

- Seek to **influence the new BBC Charter** to ensure that the BBC delivers better outcomes that reflect the needs and diversity of Scottish communities and supports the development, production and delivery of content from across Scotland.
- Deliver our commitment that **all libraries should be Wi-Fi enabled**.
- **Develop opportunities for children and young people to participate in sport and physical activity** by investing up to £50 million through **sportscotland** in Active Schools over the years 2015 to 2019.
- Build on the momentum from Glasgow and Sochi and **contribute over £45 million of Scottish Government and Lottery funding to the 17 Glasgow Games sports** and winter disciplines over the next four years.
- Consult on options to **enhance the rights of football supporters**. The consultation will seek views on the right to buy, bid, govern, or be involved in the running or ownership of their clubs.



A STRONGER AND FAIRER SCOTLAND



02

On 18 September 2015 it will be a year since Scotland's independence referendum. The referendum period saw people throughout Scotland take part in discussion and debate about the future of the country. Scotland has shown the world that it is a democratically engaged society, with the ideas and energy to transform our country for the better.

That unprecedented interest in the direction the country should take and the way it is governed has continued. The people of Scotland have shown their support for an approach to government that recognises the importance of fairness and inclusion as key contributors to increased prosperity. The Scottish Government approach also empowers people and communities and values high quality public and voluntary services that respond to the needs of people. These values underpin the Government's whole approach and this Programme for Government.

Standing Against Austerity

The Scottish Government has consistently argued for an alternative to the UK's approach to public expenditure and will continue to do so. This approach has led to an unprecedented austerity programme which has resulted in cuts in funding to the public services that the most vulnerable in our society rely on, and has undermined economic recovery. The Scottish Government recognises that the UK's deficit should be reduced, but that this must be done in a gradual and responsible manner, ensuring that we continue to invest in economic growth.

Following the July UK Budget, the next UK spending review will result in yet further reductions in public expenditure in Scotland, extending the period of austerity. Despite the reductions that have already taken place, our management of the public finances, and innovative approach to infrastructure investment has meant we have been able to mitigate the most harmful impacts of these cuts. However, under the current constitutional framework we will be severely constrained in the extent to which

we can mitigate further reductions imposed by the UK Government. We will continue to make the case to the UK Government for an alternative approach to public spending.

Tackling poverty remains our key priority, and this will become increasingly challenging because of announcements by the UK Government on welfare reform. UK reforms to tax credits alone will reduce the incomes of between 200,000 and 250,000 households in Scotland, taking £700 million from the pockets of people on low incomes in Scotland every year. The higher minimum wage for those over 25 will not be sufficient for the majority of households to offset these cuts to benefit income.

The First Minister announced the appointment of Naomi Eisenstadt as Independent Adviser on Poverty and Inequality in June 2015. She is currently a Senior Research Fellow at University of Oxford and Trustee at Save the Children and has been tasked with making recommendations to the Scottish Government on how collectively we should reduce poverty and inequality in Scotland, what works and what does not and she will hold the Government to account on its performance.

Developing Scotland's Constitution

The Scottish Government believes that the best long-term future for Scotland is as an independent country. However, for as long as Scotland remains in the UK, the Scottish Government will stand up for Scotland's interests and support greater self-government, working constructively with the UK Government and the other administrations in these islands.

We have consistently argued for extending the powers and responsibilities of the Scottish Parliament because we believe that the people who live and work in Scotland will do the best job of making decisions for our nation. Wider responsibilities for the Scottish Parliament will allow government policy and public services to be developed and delivered in a coherent and sensible way.

Following the work of the Smith Commission, both Westminster and Holyrood are now considering the Scotland Bill, which sets out the UK Government's proposals for the implementation of the Smith Commission, and the UK Government and Scottish Ministers are also in discussion about the associated fiscal framework. While the Scotland Bill would provide some of the powers needed to tackle the issues that face Scotland, the Scottish Government continues to believe it has significant shortcomings.

Fundamentally, the Bill, as currently drafted, does not deliver in full the recommendations of the Smith Commission. In May the Devolution (Further Powers) Committee of the Scottish Parliament, in a report supported by the Parliament as a whole, concluded that the Bill's provisions on social security do not yet meet the spirit and substance of the Smith Commission's recommendations.

Even if the Smith Commission recommendations are implemented in full, those taxes fully or partly under the control of the Scottish Parliament will increase to around 29% of tax receipts in Scotland and 36% of devolved expenditure. This falls far short of 'Home Rule' as over 70% of tax receipts and 86% of welfare spending in Scotland will remain in the control of Westminster.

The Smith Commission recommendations did not provide the Scottish Parliament with control over key significant taxes – like corporation tax or Employers' National Insurance Contributions – and key elements

of the social security system such as tax credits and out-of-work benefits. Narrowing the gap between the Parliament's spending and revenue raising powers would both increase its accountability and enable the Scottish Government to align better all elements of public policy with its objectives.

Short of independence, the Scottish Government's preferred approach is full fiscal autonomy. We believe this would provide the maximum financial and democratic accountability within the United Kingdom, enabling the Scottish Government to increase economic growth while allowing Scotland to continue to contribute to the United Kingdom as a whole.

In July the Scottish Government published proposals for devolution beyond the Smith Commission recommendations that would provide a coherent package of powers to boost competitiveness and tackle inequality. These included business and employment taxation, employment rights including the National Minimum Wage, and the social security system.

We are continuing discussions with the UK Government to secure changes to the Bill both to meet the Smith Commission recommendations in full and to go beyond those recommendations and deliver a Scotland Bill that empowers the Scottish Parliament to meet the challenges Scotland faces. The aim of the Scottish Government is to secure a Bill, and an accompanying fair financial agreement with the UK Government, that it can recommend to the Scottish Parliament.



THE SMITH COMMISSION AND THE SCOTLAND BILL

The Scotland Bill currently being considered by the UK and Scottish Parliaments set out the UK Government's proposals for the implementation of the recommendations of the five-party Smith Commission in November 2014.

The main provisions of the Bill cover:

- The status of, and arrangements for, the Scottish Parliament, including elections.
- Powers for the Scottish Parliament to set rates and thresholds of Income Tax, and devolution of Air Passenger Duty.
- Devolution of certain social security benefits, including disability and carers' benefits.
- Powers for the Scottish Parliament to adjust Universal Credit in Scotland including the housing element.
- Devolution of some employment services.
- Devolution of the Crown Estate in Scotland.
- Devolution of Tribunals in reserved areas – such as the Employment Tribunals – in Scotland.
- Devolution of some power over equal opportunities.
- Devolution of British Transport Police.

The Scottish Government set out its views on the Bill in detail in June 2015. We are currently in discussions with the UK Government on changes to the Bill both to meet the Smith Commission in full and to provide sensible changes beyond those recommendations. The Bill will require the agreement of the Scottish Parliament under the Legislative Consent procedure. The aim of this Government is to secure agreement with the UK Government on a satisfactory Bill, and accompanying financial arrangements (the 'fiscal framework'), in time for the Parliament to consent to the Bill before it dissolves for the Scottish General Election in March 2016.

The Scottish Government will only support a legislative consent motion if there is a satisfactory fiscal framework agreed between the Scottish and United Kingdom Governments.

Using the New Powers

The Scottish Government is committed to using the powers in any eventual Scotland Act to improve the lives of the people we serve. We are also committed to an open and consultative process in developing policies for the new powers in the Bill. We have set out some early policy priorities and we detail how we will implement these newly devolved powers throughout this document. We will:

- Bring forward, in the first year of the new Parliament, a Social Security Bill to give effect to our new social security powers and begin to establish the infrastructure for delivery of devolved welfare powers.
- Address weaknesses, within our limited powers, in Universal Credit and abolish the bedroom tax as soon as we have the powers to do so.
- Enhance opportunities for employment and economic growth by improving support for people to move into employment through reform of the Work Programme and Work Choice and linking employment programmes with training and education. We will introduce a replacement for the Work Programme and Work Choice by April 2017.
- Improve access to priority business and tourist markets by reducing air passenger duty. We will reduce the burden of APD by 50% with the reduction beginning when we introduce a Scottish APD in 2018, with a view to abolishing it completely when resources allow. We are currently consulting with stakeholders on the best way to apply that reduction across new and existing routes.
- Promote equalities by taking early action on gender balance on public boards.
- Abolish fees for employment tribunals.
- Manage the assets of the Crown Estate in Scotland to maximise benefits to the Scottish economy and local communities.

A SCOTTISH SOCIAL SECURITY SYSTEM

The Scotland Bill sets out proposals from the UK Government to transfer certain, limited social security powers to the Scottish Parliament. This would devolve around £2.6 billion (14.6%) of benefit expenditure in Scotland which is currently all controlled by the UK Government. The Scottish Government is in negotiation with the UK Government to secure improvements to the proposals as we believe the powers on offer are limited in their scope and will restrict the ability of the Scottish Parliament to undertake significant reform of the benefits.

Our new powers over social security, despite their limited scope, will provide opportunities to develop different policies for Scotland which are fairer and help tackle inequalities and poverty, in line with the core purpose of the Scottish Government. We will use these powers to develop a system which is:

- Suited to the needs of our people and our country.
- Underpinned by respect for the dignity of individuals.
- Accessible, fair, and commands the full confidence of claimants and the organisations and services which that support them.

We are committed to using the experience of service users and stakeholders in the design of these policies to deliver a Scottish social security system that is recognised for its efficiency on behalf of taxpayers, the services it offers and the fairness of the outcomes it delivers. We will set out our policy statement on new social security powers before the end of 2015 and will introduce a Social Security Bill in the first year of the next Scottish Parliament to deliver this vision.

The Scotland Bill will transfer powers over social security benefits for disabled people with long-term health conditions and their carers. This will cover a series of benefits currently delivered by the UK Government through Disability Living Allowance (DLA), Personal Independence Payments,

Attendance Allowance, Carer's Allowance, the Industrial Injuries Schemes, Severe Disability Allowance and the Motability Scheme. We are committed to establishing a social security system that has at its heart a set of principles and values that govern it. This will include ensuring that people are treated with respect and dignity during their time of applying for, being assessed, and receiving disability-related benefits. We will also provide people with relevant information so that they are aware how the system will work for them and how long decisions will take.

Our Social Security Bill, and accompanying legislation, will be wide-ranging, covering the principles which will underpin our approach to social security in Scotland as well as the improvements we intend to make to the system we inherit. There will also be specific provisions to abolish the bedroom tax, introduce flexibilities for those in receipt of Universal Credit in Scotland and the benefits we will introduce under the powers being devolved through the Scotland Bill. We will develop our approach to delivery of the new social security powers in consultation with those with an interest in improving social security delivery in Scotland, including those in receipt of benefits.

The Welfare Funds (Scotland) Act 2015 put the Scottish Welfare Fund on to a statutory basis. Working with local government, the Fund has supported over 130,000 households (49,000 were families with children and 82,000 single people) with at least one award between 2013 and March 2015, with a total expenditure of around £65 million.

The Department for Work and Pension's (DWP's) Work Programme is not designed to help those with the greatest barriers to work into sustained employment. Our vision is to use the opportunities of devolution to

help deliver our commitment to reducing inequality and stimulating sustainable economic growth. We want to see everyone achieve their economic potential, and we recognise the importance of employment in achieving this. So, we will move quickly to implement the new powers which allow us to create an alternative to the DWP's contracted employment support programmes in Scotland, and will do so from 1 April 2017, the earliest possible opportunity.

Scottish Government funding has also allowed full mitigation of the bedroom tax in 2014-15 and 2015-16 for around 72,000 households who have had their Housing Benefit reduced. We will use our new powers to abolish the bedroom tax at the earliest opportunity. The Scotland Bill will enable the Scottish Government to make changes to Universal Credit, including the frequency of payments, varying plans for single household payments, and paying social landlords direct for housing costs in Scotland which will better reflect the needs of the recipients of the benefits.

We are working to develop successor arrangements for the regulated Social Fund that provides Sure Start Maternity Grants, Cold Weather Payments and the Winter Fuel Allowance Payment. As part of this we will improve links to other devolved services such as support for mothers during pregnancy.

The new arrangements will also include responsibility for funeral payments. We believe no-one should be prevented a dignified funeral or forced into debt because of the costs of organising a funeral for their loved one. We will review advice on planning a funeral, and review how to make best use of funeral payments to support those on low income who need extra help in arranging a funeral.

SCOTLAND'S PLACE IN THE WORLD

The Scottish Government recognises the importance of working with other nations, institutions and organisations to contribute to the success of the global community. We will continue to use our international activity to promote policy priorities such as gender equality, educational attainment, human rights and democratic participation – exchanging knowledge and building relationships in support of our domestic and international objectives. We also want to maximise the impact of Scotland's world-standing in areas such as social enterprise. Our aims are:

- To ensure better understanding of international opportunities and a greater appetite and ability to seize them.
- To enhance Scotland's influence the world on the issues that matter most to us.

The Scottish Government will develop a new Diaspora Engagement Strategy which will set out how we can better engage and connect with people of Scottish descent around the world, enhancing the role they can play in supporting our international ambitions. We will also use our position as a world leader in social enterprise development to share expertise internationally. Our expertise will help support organisations that are working with disadvantaged groups including women and disabled people.

We recognise that our commitment to fairness does not end at our borders and as a good global citizen our international engagement will be underpinned by our commitment to addressing global challenges such as climate change, tackling inequality and promoting human rights, sharing our knowledge, skills and technical expertise for global good. We will oversee the successful implementation of the United Nations Sustainable Development Goals in Scotland by 2030, particularly in relation to areas which the Scottish Government is already driving forward; tackling poverty, gender equality, access to education for all, and renewable energy.



Scotland and the European Union

Being part of the EU has delivered enormous social, cultural and economic benefits to Scotland for more than 40 years, and has allowed us to make distinctive contributions to addressing global challenges such as climate change, delivering sustainable growth and energy security. It has also enabled us to make our progressive voice heard in the world. The risk of the UK exiting the European Union poses a significant threat to those benefits and to businesses and jobs right across Scotland.

In the coming year, we will implement our Action Plan for EU Engagement, with the aim of influencing the UK's EU renegotiation and preparing for the EU referendum. The Action Plan sets out the four key areas in which we will focus our activity in the EU:

- Making a strong Scottish case for remaining a member of the EU.

- Active Scottish engagement in EU policy developments and promoting a strong reform agenda.
- A higher degree of Scottish engagement in EU investment, innovation and inclusion programmes.
- Strengthening partnerships with key EU partners (including France, Germany, Ireland, the Nordic countries, and Vanguard regions).

We will continue to ensure Scotland's role in the EU is represented and to work with the UK Government and other devolved administration as appropriate. The Scottish Government will make a clear argument in support of continued membership of the EU in the forthcoming referendum.

SUSTAINABLE DEVELOPMENT GOALS

Scotland must continue to take its share of responsibility for addressing global issues. In September 2015 world leaders at the United Nations will adopt the new Sustainable Development Goals (SDGs), which will replace the United Nations Millennium Development Goals (MDGs) which come to an end this year. The MDGs consist of eight targets to be met by developing countries, the aim of which was to tackle poverty and inequality there. In the run up to 2015 deadline, the UN Secretary-General established a process to establish a post-2015 UN Development Agenda, bringing together more than 60 UN agencies and international organisations to focus and work on sustainable development. The key difference from 2015 onwards is that the SDGs will apply to both developed and developing countries.

The First Minister has confirmed that Scotland will adopt and implement the SDGs and work to achieve them by 2030. Many of the SDGs chime with what Scotland is doing to tackle poverty and inequality, both in Scotland and through our international development work. The outcomes will improve people's lives in numerous ways but particularly in relation to areas which the Scottish Government is already driving forward such as tackling poverty, gender equality, access to education for all, and renewable energy.

A STRONG, SUSTAINABLE ECONOMY



The Scottish Government will continue to take action to strengthen the Scottish economy. We will do so by improving our productivity, boosting skills, encouraging innovation and promoting fair work. We will ensure that Scotland remains a highly attractive location for international investment.

Our track record in supporting business and boosting productivity is well established. Over the past year our economy expanded at its fastest rate since 2006, while the number of people in employment has risen by 28,000 over the last 12 months.

In recent years we have also narrowed the productivity gap with the UK and we have stronger youth, female and total employment rates than the UK as a whole. We have had 11 consecutive quarters of growth – the longest period since 2001. We plan to continue this trend and move up the international ranking of productive nations. In March of this year we published *Scotland's Economic Strategy* (SES) which set out our strategic approach to creating a more prosperous and fairer nation.

SCOTLAND'S ECONOMIC STRATEGY

At the heart of *Scotland's Economic Strategy* are the two mutually supportive goals of increasing competitiveness and tackling inequality. Both are necessary to boosting productivity and creating greater prosperity for all.

A more prosperous Scotland is one where our businesses are more competitive, productive and employ more people in meaningful and well-rewarded jobs. At the same time, if we are to become more productive we must use the talents of everyone in Scotland and deliver genuinely inclusive growth.

Our ambitions in *Scotland's Economic Strategy* are underpinned by four priorities:

- **Investing** in our people and our infrastructure in a sustainable way.
- Fostering a culture of **innovation** and research and development.

- Promoting Scotland on the **international** stage to boost our trade and investment, influence and networks.
- Promoting **inclusive growth** and creating opportunity through a fair and inclusive jobs market and regional cohesion.

The Strategy is being delivered with partners across Scotland and close engagement with businesses, trade unions and the third sector. This joint working is essential to delivering long-term structural change but also to tackling short-term challenges as and when they emerge such as the establishment of the Energy Jobs Task Force in response to the new challenges faced by our Oil and Gas industry.

Delivery of *Scotland's Economic Strategy* will be informed by the work of the new Council of Economic Advisers. The Council held its first meeting in March 2015 and has been bolstered by new members including Professors Sir Harry Burns & Sara Carter (University of Strathclyde); Professor Mariana Mazzucato (University of Sussex); Professor Anton Muscatelli, (Principal of the University of Glasgow); and Amanda McMillan (Managing Director of Glasgow Airport).

INVESTING IN OUR PEOPLE AND OUR INFRASTRUCTURE IN A SUSTAINABLE WAY

Investment – in human capital, our transport and digital infrastructure and in businesses – is vital to creating a more productive and competitive economy. The Scottish Government will continue to maximise the economic contribution of our own investment and our wider activities to maximise levels of private investment in the Scottish economy. We will publish our plans in an updated Infrastructure Investment Plan alongside the draft Budget.

We will also protect and enhance our natural capital, our brand and reputation as a country of outstanding natural beauty, our commitment to low-carbon and the opportunities our resources and assets provide for our economy and future generations.

The planning system is a key route through which the Scottish Government can help businesses to invest and grow. We published Scotland's *Third National Planning Framework* (NPF3) and *revised Scottish Planning Policy* (SPP) in June 2014. These require planning policies and decisions to give due weight to the net economic benefit of development along with other aspects of sustainable development. We will also review our planning system with a view to increasing the delivery of high quality housing developments, as set out in Chapter 5.

Creating the Conditions for Businesses to Invest

Our objective is that Scotland is the most competitive place in the UK to do business and to invest. We will therefore take forward the following:

- Continue to provide the most competitive business rates package anywhere in the UK.
- Fund the Small Business Bonus Scheme which will help more than 96,000 business properties by removing or reducing their rates bills.
- Invest in our Enterprise Agencies – Scottish Enterprise, Highlands & Islands Enterprise and Scottish Development International – to deliver targeted support to businesses across Scotland.
- Continue to support local authorities in their economic development activities, including the business support they provide through the Business Gateway helping over 10,000 businesses start-up.

We also want to ensure that there are enough good locations for businesses. Scotland's four Enterprise Areas, comprising 14 strategic sites, were established in April 2012 with an additional site in West Lothian added in 2013. Since established, these sites have attracted over 46 businesses and at least 840 jobs.

We also want to support Scotland's manufacturing base. We will therefore, through our Enterprise Agencies, launch a Manufacturing Action Plan this Autumn which will:

- Deliver concrete initiatives to boost productivity including in leadership and skills, energy efficiency and the adoption of the circular economy across the manufacturing sector.
- Stimulate innovation and investment including the 're-tooling' of Scottish manufacturing sectors to better compete globally.

We are mindful too that Scotland has built up a considerable track record as a world leader in social enterprise and the social economy – these organisations are an increasingly important part of Scotland's economy. We are already investing £5.4 million in social enterprise development and will be strengthening the support available as part of the 10-year social enterprise strategy to be published in 2016.

EXTENDING ENTERPRISE AREAS IN SCOTLAND

We will extend the operation of Scotland's Enterprise Areas (EAs) by three years to 2020 and will evaluate how to maximise their effectiveness in boosting growth and employment.

We will work with partners to establish a fifth Enterprise Area site at BioCity in North Lanarkshire. This will reinforce our commitment to this strategic life science location by offering innovative life science companies business rates relief, streamlined processes to deal with planning applications, bespoke skills support and assistance in accessing international markets.

This will complement other initiatives underway at the site including the MediCity Scotland initiative which will focus on commercialisation in the medical technology sector as well as an Innovation Hub which was launched in April 2015. The Hub is providing early stage companies with an opportunity to learn from and work with major healthcare practitioners, entrepreneurs and scientists.

Small and Medium sized Enterprises (SMEs)

In order to grow, innovate, create jobs, and seek opportunities in new markets, Small and Medium sized Enterprises (SMEs) often require access to appropriate and affordable finance. In August 2015 we published *The Market for SME Finance in Scotland*. This identified substantial gaps in both the supply of and demand for finance, highlighted opportunities and set out our approach to business finance.

Our approach to these challenges is focused on increasing the level of funding available to SMEs, expanding and deepening financial support and advice for SMEs, and providing easier access for SMEs seeking finance.

The establishment of a Scottish Business Development Bank will form a key part of this approach. The Bank will act as a mechanism to bring new sources of finance to Scotland. We have been working with stakeholders, including experts at the University of Strathclyde to consider approaches across a range of European countries in order to identify the most appropriate way forward. We have also explored market issues with a range of organisations including the European Investment Bank, the High Street Banks, the British Business Bank and the Strategic Banking Corporation of Ireland. We will set out in late 2015 options for the Bank, how it will operate, and a timetable for introduction.

As a result of our research into the Business Development Bank we will also take action, working with our Enterprise Agency and Local Authority partners, to simplify how SMEs access finance, advice and support. We will bring together all our finance products for SMEs and financial support services under a single brand and digital platform. We will also strengthen the links between our actions on business finance and the wider range of business support and advice. We will set out more details in late 2015.

Our Enterprise Agency partners will expand the provision of specialist financial readiness advice for SMEs, so that a greater number and wider range of companies can benefit from a readily accessible service. A key element of our approach is to continue to increase the level of finance available to SMEs. Pending the establishment of the Business Development Bank, we will:

- Introduce a new £40 million SME Holding Fund to provide investment to SMEs. The fund will be launched in Autumn 2015.
- Continue to provide equity investment through the Scottish Investment Bank, alongside private sector partners, supporting early-stage innovative companies access risk capital investment to support Scotland's high-growth companies to achieve their full potential.

INVESTING IN ENTERPRISE AND GROWTH

We will use European Structural Funds to introduce a new £40 million SME Holding Fund, which will increase the levels of loan, equity and microcredit being offered to Scottish SMEs. The Fund will contribute to the delivery of the priorities set out in *Scotland's Economic Strategy* by supporting more SMEs to grow, increase their levels of investment, and boost their exporting ambitions.

The Fund will provide microcredit finance up to £25,000, loans up to £100,000, and equity investment up to £2 million. The Fund will support public and private sector partners to deliver this finance thereby generating a minimum of £100 million into the SME finance market over the next three years. New and existing SMEs will be able to access these financial products through appointed delivery partners.

Alongside these economy-wide measures we will also take action to support investment and growth in key sectors. In particular we will work with the private sector to increase the level of investment in manufacturing companies, supporting the development of new manufacturing technologies, improving their efficiency and competitiveness.

Investing in Digital Infrastructure

The digital revolution is positively impacting on the lives of everyone in Scotland, and the Scottish Government's digital strategy reflects this transformation.

Although we have made substantial improvements in recent years, too many businesses and communities remain hampered by slow internet connections. This year, we will invest further in Scotland's digital infrastructure in order to:

- Deliver a step change in broadband for 95% of Scottish premises by the end of 2017 by continuing to roll out the £400 million Digital Scotland Superfast Broadband (DSSB) programme. Already 389,000 homes benefit from new infrastructure. To help meet our ambitions, an additional £42 million will be allocated to further extend superfast coverage and we will announce in early 2016 plans for how that investment will be used.
- Continue to support Community Broadband Scotland in areas least likely to have superfast broadband. This £7.5 million initiative is currently supporting 87 community organisations that cover over 1600 properties across Scotland and has approved funding for a further 57 projects.
- Progress our commitment to promote access to free Wi-Fi, particularly in public buildings to boost digital participation and help improve connectivity in hard-to-reach communities.

We will also press the UK Government to take action to improve mobile coverage, especially in those parts of the country where coverage remains a concern.

While digital technology brings significant benefits we also need to be alive to the risks posed by cyber-crime. We want Scotland to be a cyber-secure place to do business. In November we will publish a Cyber Resilience Strategy, with a joint action plan to follow in spring 2016 – this will have a focus on education and skills, awareness raising, and research and innovation. We will develop this in partnership with Scottish Enterprise, Education Scotland, Skills Development Scotland and the Scottish Business Resilience Centre.

Investing in Physical Infrastructure

We also have a well-targeted programme of investment in Scotland's physical infrastructure. Transport infrastructure is a key area where improving connectivity between our cities and centres of economic activity is vital to boosting productivity and competitiveness. Improving connections between more remote and rural communities is another important aim.

Our commitment to Scotland's transport infrastructure is clearly visible in the construction of the £1.4 billion Queensferry Crossing – the most significant transport project in a generation. Work will continue through 2016.

In rail, we will open the Borders Railway in September, providing a major boost to business and tourism. Work continues on the Edinburgh-Glasgow Improvement Programme, with electrification of the mainline due for completion by December 2016. Work continues on the £170 million Phase 1 of the Aberdeen-Inverness Improvement Programme, including infrastructure to support two new stations at Dalcross and Kintore.

We will also invest in our road and motorway network. This includes the first stage of dualling the A9 with a £35 million investment between Kincaig and Dalraddy, and work to progress the Bypass of Aberdeen (due to open in 2017). We will also publish plans for the dualling of the A96 between Inverness and Nairn. Improvements to the M8, M73 and M74 will also bring benefits to the busiest part of the motorway network in central Scotland.

Significant investment will also be made to support ferry services. The Ullapool-Stornoway route is benefiting from the new £41.8 million MV Loch Seaforth and associated harbour improvements. A new hybrid ferry, at a cost of £12.9 million, is being built on the Clyde, and plans are well advanced for the procurement of two new vessels for deployment between Skye and the Western Isles and the Ardrossan-Arran route.

We are also investing over £10 million in our airports in the Highlands & Islands. This includes over £2 million at Sumburgh Airport.

Investing in Education and Skills

Investing in the early learning and childcare, education, training and skills of current and future generations is one of the most important investments we can make. The work we are doing to boost attainment in schools is covered in Chapter 4.

These efforts will be complemented by the steps we are taking to support our university and further education sectors. Over the next Parliamentary term these will include:

- Continuing to deliver free tuition, ensuring that access to university is based upon ability to learn and not ability to pay.

- Taking forward the recommendations that will flow from the Commission to Widen Access to University.
- Maintaining 116,000 full-time equivalent college places and continuing the modernisation of the college estate.
- Funding Opportunities for All which guarantees an offer of a place in education or training to all 16 to 19 year olds.
- Supporting employer-led groups across Scotland to strengthen employer engagement in education and training to ensure young people have the skills and abilities that industry needs.
- Offering extra support for young people to get into work including an additional £10 million for the new Scottish Employer Recruitment Incentive; £6 million for Community Jobs Scotland and a £0.5 million package of support to enable employers to take on young people who face barriers to entering employment.
- Continuing to support the Scottish science centres and festivals.

DEVELOPING SCOTLAND'S YOUNG WORKFORCE

We will invest a further £16.6 million this year to deliver our commitments to *Developing the Young Workforce* – Scotland's Youth Employment Strategy – to further improve learning options for young people to prepare for work and reduce youth unemployment.

Actions include:

- Introduction of good quality careers advice in schools at an earlier stage.
- A new standard for work placements to give young people and employers maximum value from these experiences.
- New guidance to improve school-employer partnerships.
- Expansion of foundation apprenticeships.
- Regional *Developing Scotland's Young Workforce* industry-led groups to improve engagement between education and industry.
- A package of in-work support for young people who are disabled, care leavers, carers and those with criminal convictions.

Digital skills will be vital for our country's future. Our plans include:

- Continuing to support CodeClan – the industry-led digital skills academy will take its first students in October 2015. The academy will open in Edinburgh and help meet Scotland's pressing need for skilled software developers.
- Investing £7 million through our enterprise bodies to promote business awareness of digital technologies. This includes a Digital Voucher Scheme, with up to £5,000 available for companies to invest in new technology, and a Supplier Development Programme to help SMEs with digital procurement.
- Launching a National Digital Engagement Programme with the aim of equipping over 10,000 businesses with the expertise to benefit from digital technology.
- Increasing our support for those individuals most at risk of digital exclusion. We will work with Scottish Council for Voluntary Organisations to establish a network of Digital Scotland community hubs to promote digital skills and help those who need to take advantage of digital public services.

Investing in Energy and Tackling Climate Change

Our approach to energy is an important contributor to our efforts to promote growth, tackle inequalities and deliver on our climate change ambitions.

In contrast to the UK, the Scottish Government has a well-established framework for energy policy including ambitious renewable targets, clear plans to boost energy efficiency and the most stretching emissions-reduction targets in the world.

Our efforts have led to dramatic changes in the energy system in Scotland over the last decade. For example, renewable electricity output has more than doubled since 2007. The role of thermal electricity generation in Scotland – providing base load and balancing services – is also changing. For example, Longannet coal-fired power station (which accounts for around 20% of total Scottish generation) is set to close in March 2016, but we want thermal generation to continue to be an important part of Scotland's electricity mix in the foreseeable future. Unlocking Carbon Capture and Storage (CCS) and advanced storage technologies will be an important factor in replacement thermal generation in Scotland and increasing the role of renewables in our energy mix going forward.

Our efforts on energy efficiency will be complemented by further investment in Scotland's low carbon infrastructure. In March, we launched the Low carbon Infrastructure Transition Programme worth £76 million over the next three years – for private, public and third sector low carbon infrastructure projects. It will leverage £50 million of private sector investment annually into the low carbon sector.



TACKLING CLIMATE CHANGE

The Scottish Government will undertake a range of initiatives this year to support low carbon investment and to tackle climate change.

Energy: Investing over £200 million during 2014-15 and 2015-16 including the National Renewables Infrastructure Fund and the new CARES Local Energy Challenge Fund to support the roll out of low carbon energy. This is complemented by increased spending on domestic energy efficiency, which was £99 million last year and £119 million in 2015-16.

Transport: Investing £320 million over 2013-14 to 2015-16 in low-carbon transport policies, including in the *ChargePlace* Scotland electric vehicle charging network which now has over 800 public charging bays (over 400 units) across Scotland including rapid charging units supporting Scotland's strategic road network.

Forestry/Agriculture: Investing £104 million over the next four years to support woodland creation, through forestry grants and on the National Forest Estate. We have also increased funding for *Farming For a Better Climate*, doubling the number of climate change focus farms.

Peatland: Investing an additional £3 million this year to support peatland restoration.

Circular Economy: As part of our proposals for creating a more circular economy, we are investing £24 million this year through Zero Waste Scotland to help businesses use resources more efficiently and accelerate the roll out of household food waste collection.

Sustainable Action Fund: This includes investing £22.1 million over 2014-15 and 2015-16 in the flagship Climate Challenge Fund, which supports communities across Scotland to take action on climate change.

Paris: We have been clear that the international community must match Scotland's high ambition if the new global climate treaty to be agreed at the United Nations Framework Convention on Climate Change (UNFCCC) 21st Conference of Parties (COP21) in Paris this year is to stand a good chance of limiting global temperature rise to no more than 2°C. We will continue to promote high ambition within the UK and the EU and promote the Scottish example of tackling climate change internationally to demonstrate the economic and social benefits of doing so.

Community Energy

We also want to help local communities take control of their own energy. We have facilitated the investment of almost £9 million in Scotland's local communities every year through community benefit renewable energy schemes. We have a target of 500 MW of renewable energy in community or local ownership by 2020, with over 360 MW already in operation including in Point and Sandwick which will be the largest community owned wind farm in the UK.

We have set up our CARES Local Energy Challenge Fund, with up to £20 million for major projects providing transformative local energy solutions. Five projects were successful in the first round. These include:

- £1.3 million to Orkney Surf 'n' Turf to combine electricity from two tidal turbines and a wind turbine on Eday. The excess electricity will be used to produce compressed hydrogen, which will be transported to Kirkwall, where it will be converted to electrical power for buildings and ferries at the harbour. Along with reducing harbour costs, it will generate revenue for the community, and support programmes for training and employment.

A second round to support early feasibility of projects was announced in March 2015.

Investing in the Oil and Gas Industry

The North Sea oil and gas industry makes a significant contribution to the UK and Scottish economies. While there is a long-term sustainable future for the North Sea, it currently faces a range of challenges. The Scottish Government is using all the levers it has to support the industry, including the establishment of the Energy Jobs Taskforce, set up by the First Minister in January 2015.

We also support the establishment of the Oil and Gas Authority (OGA) and its commitment to Maximise Economic Recovery. We will continue to work with industry and the OGA to secure the maximum value to the economy.

We will refresh the Scottish Oil and Gas Strategy in light of recent developments in the industry. This will focus on securing a long-term sustainable future for the industry, with a particular focus on the structure and capability of the domestic supply chain and the sector's contribution to the wider economy.

The Scottish Government announced a moratorium on onshore unconventional oil and gas developments in January 2015. The moratorium has been welcomed by both industry and environmental NGOs and will continue until such time as a full public consultation as well as health and environmental impact assessments are completed.



FOSTERING A CULTURE OF INNOVATION, RESEARCH AND DEVELOPMENT

Innovation is a fundamental driver of long-term competitiveness, productivity and sustainable growth. This is one of Scotland's strengths. We also have the fourth highest higher education expenditure on R&D as a percentage of GDP in the OECD (2013 figures) and last year's Research Excellence Framework (REF) found that each of Scotland's higher education institutions undertook research of 'world-leading' quality.

We will cement these achievements by continuing to support research and innovation in Scotland's universities. This includes investing £282 million in core research and knowledge exchange in 2015-16.

We can achieve much more by way of exploiting our world-class research, where businesses turn innovation and ideas into commercial opportunities. There is already excellent collaboration using the research and science produced by our universities and our business base with its highly skilled workforce. However, there is huge potential to do more. We will therefore:

- Help strengthen the links between business and academia through the Innovation Scotland Forum and its Action Plan.
- Support our new network of Innovation Centres to use academic expertise to address real world business issues, helping them to raise their profile with businesses in Scotland and beyond.
- Increase our investment in Interface, Scotland's central hub connecting businesses here and internationally to our higher education and research institutes, raising Scotland's innovation profile at home and abroad.

We will support business to boost levels of innovation in order to improve competitiveness, growth levels, new market penetration and resilience to change.

Through the Scotland CAN DO Innovation Forum we have brought together key innovators to drive greater levels of demand and investment in business innovation. To drive this agenda we will:

- Support Scottish Enterprise to assist 800-1000 additional businesses this year to become innovation active, whilst Highlands & Islands Enterprise will support 150 additional businesses this year, and 180 next. This activity will include promoting supply chain and customer-led innovation to encourage greater collaboration between large and small firms.
- Encourage public sector and large and small firms to collaborate on projects through Scottish Enterprise's Scottish Open Innovation programme. This £2.9 million programme will support the development of an open innovation culture across Scotland by identifying projects and creating partnerships to drive them forward.

We will also support Scottish Enterprise to develop a new Workplace Innovation Service. This will help companies implement progressive workplace practices which can lead to improved performance and increased levels of employee engagement. The service will be launched in Spring 2016.

Innovation is also vital in delivering better public services. We will roll out the £1 million Innovation Challenge Fund to support our Innovation Centres develop particular collaborative projects. The first challenge was announced in July 2015 and will focus on cancer care in Scotland.

Entrepreneurship

Fostering a strong culture of entrepreneurship goes hand in hand with innovation and will also help deliver our goal of a more innovative and productive economy.

Following the successful pilot in August 2015, Highlands & Islands Enterprise, Scottish Enterprise and Scottish Funding Council will work with business and universities to implement Scotland CAN DO SCALE – an education programme targeted at developing the entrepreneurial skills of people working in a high growth potential business or simply with an innovative emerging business idea.

The Scotland CAN DO approach will be also used to maximise the impact of entrepreneurial learning and support in our colleges and universities. We will continue to support the delivery of the 'Scotland's Enterprising Schools' project to enable all schools to develop a values-based entrepreneurial culture amongst Scotland's young people.

We will accelerate progress in tackling the enterprise gender gap. We will continue to implement the 2014 'Women In Enterprise Action Framework', developed in partnership with 'Women's Enterprise Scotland'.

All members of society should be able to benefit from being active in enterprising activity. For example, this year we will work with partners, including Co-operative Development Scotland, to promote alternative and progressive business models. We will also support social enterprise in schools and will provide £0.5 million to the Social Entrepreneurs Fund.

PROMOTING SCOTLAND ON THE INTERNATIONAL STAGE TO BOOST OUR TRADE AND INVESTMENT

We want to strengthen Scotland's links with the global economy and the opportunities this brings for trade, investment and sharing expertise in order to maximise Scotland's economic potential. Scottish exports have increased from £23 billion in 2010 to £28 billion in 2013, a 20% increase.

A Trade and Investment Strategy will be published later this year, setting out initiatives to encourage more firms to export and to support businesses in sectors where we already have a strong international presence.

Scottish Development International (SDI) will continue to lead work in Scotland and its overseas offices to promote Scotland's exports and champion Scotland as an international destination for inward investment.

Over the past year, SDI helped to attract 91 inward investment projects to Scotland – a 17% increase on the previous year. These projects will bring £433 million of inward investment into Scotland and will create or safeguard nearly 10,000 jobs.

The dynamics of world trade have changed significantly over the past decade with new and fast growing markets. SDI's High Growth Market Unit is providing expert market knowledge, experience and networks and will work intensively with current exporters on a one-to-one basis to ensure successful market preparation and entry to these markets.

SDI encourages potential and early stage exporters to take their first steps to exporting to new markets through its Scot Exporter programme. Additional support is being developed around key opportunities for Scottish exporters, for example the Food and Drink Collaboration initiative for small-scale premium producers in the Highlands & Islands.

At the centre of our approach to internationalisation will be our new Innovation and Investment Hubs.

INTERNATIONAL INNOVATION AND INVESTMENT HUBS

Our Innovation and Investment Hubs will provide a location for delivering and supporting activity by the Scottish Government, its agencies and public and private partners to boost trade and investment, promote the research and innovation capability of Scottish companies and universities and enhance international collaboration.

We have identified three initial pilot hub locations in London, Brussels and Dublin.

The London Hub will create opportunities to progress our international trade, investment and innovation agendas with governments, companies, investors and academic, research and policy institutions headquartered in London and take advantage of London's status as a 'Global Gateway'.

The Brussels Hub will strengthen Scotland's strategic engagement with Europe and the EU. It will provide a platform for the delivery of projects in key EU innovation and investment work-streams, ensuring Scotland is equipped to compete with the best European examples of projects.

The Dublin Hub will build on existing close relations with the Republic of Ireland on economic development and innovation as well as policy development. In particular the hub will provide further support for the development and delivery of Scottish/Irish projects funded through European programmes, as well as delivering support to new bi-partite commercial and academic collaborations.

INCLUSIVE ECONOMIC GROWTH

Inclusive economic growth creates opportunities for all, and distributes the benefits of increased prosperity fairly. To support inclusive growth, we will:

- Pursue an inclusive labour market by reducing barriers to employment to help women, young people and other groups to overcome structural challenges to their participation in work.
- Address regional disparities in economic performance.
- Invest in skills to promote a high-skill, high-wage economy.
- Develop the fair work agenda to improve the quality of work, progression prospects and productivity.
- Design new, devolved employability programmes that support those otherwise unable to return to the labour market.
- Support social enterprise and the social economy.

Scotland's female employment rate is now the second highest in Europe. However, women still face too many challenges in the labour market and access to affordable early learning and childcare remains a significant barrier to many women seeking to return to work. Details on how the Scottish Government is promoting access to early learning and childcare is covered in Chapter 4.

We also know that women are disproportionately affected by issues such as low pay, underemployment and part-time working. These challenges are being addressed by the Fair Work Convention, established in April 2015, and by a targeted approach to women in our consultation on employability services.

The Scottish Government's partnership with the Scottish Trades Union Congress and strong belief in the contribution of the Trade Union movement to fairness and equity at work is also important. We will continue to oppose the legislation being brought forward by the UK Government which threatens to undermine the Unions' ability to act as partners in economic development.

Over the next year we will continue to work with strategic partners to deliver a more inclusive workforce. We will:

- Work with the Equality and Human Rights Commission, whose recent report on *Pregnancy and Maternity-Related Discrimination and Disadvantage* showed that around 54,000 new mothers may be forced out of their jobs in Britain each year.
- Continue to promote Fair Work practices through our procurement activity as well as being clear that we oppose any use of exploitative zero-hours contracts.
- Take action on equal pay.
- Pursue the devolution of powers from the UK Government to allow us to legislate for gender balance on boards, although in the meantime we will continue to pursue this through a voluntary route in our 50/50 by 2020 campaign.

GENDER PAY EQUALITY

We will extend the duty on public authorities to publish gender pay gap information and statements on equal pay, including occupational segregation.

These duties currently apply to authorities listed in the Equality Act 2010 which have more than 150 employees. We propose to lower the threshold so that the duty applies to listed authorities with more than 20 employees.

In addition, we will continue to build membership of the Partnership for Change, ensuring more public, private and third sector bodies sign up to the 50/50 by 2020 commitment. We will hold a number of themed events for specific sectors to ensure that the 'pipeline' of talent is ready to deliver diverse candidates for board positions.

Our Employability Fund focuses on supporting unemployed people develop their skills and move into sustainable employment. In 2015-16 we will maintain our investment of £33.7 million in the Employability Fund through SDS to support at least 17,000 people.

Developing the Young Workforce

Education is key to developing our young workforce, and our ambitious reforms of the education system are covered in Chapter 4. However, we are also making significant progress in our seven-year programme to develop Scotland's young workforce, with the aim of reducing youth unemployment by 40% by 2021. We will:

- Fund local authorities to support schools to play their part in embedding workplace skills in our young people.
- Invest in expansion of the Modern Apprenticeship programme, expand the new foundation apprenticeships for senior phase pupils and ensure that all young people have access to work-based learning.
- Enhance careers education so that young people have good information about jobs and careers at an earlier point in their schooling.
- Support our colleges to play their part in widening the options open to young people as they consider their future employment options, articulating our expectations in college outcome agreements, and building on the existing expertise of the college sector in employer engagement.

- Establish industry-led groups across the country to make it easier for schools and colleges to interact with employers and access their expertise to help shape young people's education.
- Support the Investors in Young People accolade, offering an accreditation framework which all employers, whether large or small, can use to improve their engagement with young people, schools and colleges.

Access to Adult Education and Training

In 2014 the Scottish Government launched the *Scotland Adult Learning Statement of Ambition* which aims to ensure that Scotland becomes recognised globally as the most creative and engaged learning society and that every adult in Scotland will have the right to access learning to meet their educational needs and their aspirations.

The National Strategic Forum for Adult Learning is taking forward an implementation plan that will have a focus on literacy and numeracy, family learning, adult achievement awards and workforce development.

The Scottish Government's learning disabilities strategy, *The Keys to Life* implementation framework, was launched in June 2015. The framework will be delivered by 2017 and will be supported by £2.7 million for 2015-16. This will focus on four outcomes:

- People with learning disabilities lead healthier, happier lives.

MODERN APPRENTICES

We have exceeded our target to deliver over 25,000 Modern Apprenticeships each year with over 101,000 new opportunities delivered in this parliamentary term.

We announced £3.8 million in May 2015 to deliver an additional 500 MA opportunities in 2015-16 focused on higher level frameworks – the first step towards our commitment to deliver at least 30,000 opportunities each year by 2020. This funding will also be used to expand Foundation Apprenticeships offering exciting work-based learning, based on MA frameworks, to secondary school pupils.

We will increase the take-up of Modern Apprenticeships by young disabled people and young people from BME backgrounds, and to significantly reduce gender segregation within Modern Apprenticeship frameworks.

- People with learning disabilities are treated with dignity and respect and protected from neglect, exploitation and abuse.
- People with learning disabilities are able to live independently in the community with equal access to all aspects of society.
- People with learning disabilities are able to participate in all aspects of community and society.

Fair Work

As well as equal access to skilled work, it is important that people's experience of work is fair, and promotes opportunity, fulfilment, security and respect. Scotland recognises the importance of this in having a Cabinet level post with responsibility for promoting fair work.

Last year we set a target of having 150 Living Wage Accredited Employers by the end of 2015. We met that target eight months ahead of schedule, thanks in large measure to the excellent efforts of the Poverty Alliance and the Living Wage Foundation. Following this achievement,

the Scottish Government announced a revised target of 500 Scots-based Living Wage Accredited Employers by the end of March 2016. We are well on track to achieve this, with over 300 Living Wage accredited employers across the public, private and third sectors in Scotland. The Scottish Government itself became accredited in June 2015.

The UK Government recently announced an enhancement to the National Minimum Wage, but restricted to over 25s, and with significant reductions to working-age benefits. The Scottish Government will continue, in contrast, to promote a true Living Wage, the level of which is calculated according to the basic cost of living – taking into account the income that households receive via the welfare system. We will work with the Poverty Alliance, STUC, Citizens Advice Scotland, ACAS, the Living Wage Foundation and other partners to raise awareness of the difference, and to clarify for employees the confusing picture that has now arisen with five different rates of 'minimum wage' in the UK as a whole.

FAIR WORK CONVENTION

The Fair Work Convention was established in April 2015 as an independent body to advise the Scottish Government on the development of the fair work agenda. It is co-chaired by former STUC President Anne Douglas and Linda Urquhart Chair of the legal firm Morton Fraser.

The remit of the Convention is to drive forward the fair work agenda by producing a framework by March 2016. This will:

- Set out a practical blueprint for fair work which promotes a new type of dialogue between employers, employees and trade unions, public bodies and the Scottish Government.
- Support the Scottish Government's objectives of increasing sustainable economic growth and reducing inequality through the promotion of greater diversity.
- Understand business challenges in adopting fair work principles and offering help to support a progressive change.

We will respond to the details in the framework produced by the Fair Work Convention in the Summer of 2016. This will set the agenda for implementing all aspects of fair work in Scotland. In the meantime, the new Business Pledge is an effective vehicle to establish relationships with business around fair work practices.

We will abolish fees for employment tribunals, when we are clear on how the transfer of powers and responsibilities will work. We will consult on the shape of services that can best support people's access to employment justice as part of the transfer of the powers for Employment Tribunals to Scotland.

Scottish Business Pledge

The Scottish Business Pledge was launched in May 2015. It is a voluntary commitment made by Scottish businesses to promote and practice the principles of fairness, equality, and opportunity. It acts as a partnership between government and firms to invest in a culture of innovation, productive work practices and internationalisation to boost productivity and competitiveness and responsible business practices including fair work and prompt payment.

Since May, almost 100 businesses - from GSK, Virgin Money and Heart of Midlothian Football Club to Rabbin's Small Group Tours - have signed up to the Pledge. Over the next year we will:

- Continue to raise awareness of the Pledge, and encourage more businesses to choose this route to productivity and business growth.
- Foster a business-led Pledge network, providing opportunities for companies to come together to learn from each other and the Enterprise agencies.
- Work with trade and business bodies to explore sectoral challenges - in tourism and retail, for example - and how they might be addressed.

Regional Economic Development

Many of the social and economic inequalities faced by Scotland are concentrated in pockets of persistent deprivation. Addressing regional economic inequalities so that all of Scotland's regions and communities can prosper is essential to increasing inclusive growth. We recognise the work that has been taken forward by local partnerships to address those economic challenges and the positive impact that their work has had. We want to do more, in partnership across the public sector working across boundaries, to boost economic growth outside the traditional growth areas of Scotland.

We will continue to regenerate our most disadvantaged communities through investment in infrastructure. The Regeneration Capital Grant Fund is providing over £40 million in 2014-16 to 40 projects aiming to support or create over 2000 jobs and 600 training places. We will make progress with the Town Centre Action Plan and support local authorities and communities to revitalise their town centres.

We are contributing £500 million over 20 years to the Glasgow and Clyde Valley City Deal which aims to create 29,000 jobs and lever in £3.3 billion private sector investment. Highland and Aberdeen Councils are in discussion with Scottish and UK Governments on City Deals. We are committed to going further and extending this approach to other cities across Scotland.

REGIONAL PARTNERSHIP PLANS

Building on the approach being adopted in City Regions we will formalise our approach to engagement with regional partnerships. We will encourage regions facing economic challenge to work collaboratively to identify how best to deliver a vision for inclusive growth. This will also build of the work already underway by, for example, the South of Scotland Alliance and Ayrshire Economic Partnership.

NEW ECONOMIC POWERS

Whilst we will continue to use our devolved responsibilities to boost the Scottish economy and tackle inequality, many of the key powers to support businesses, to shape the structure of the economy and reduce inequality remain reserved to the UK Government.

The Smith Commission recommended the devolution of further fiscal powers, including the devolution of Air Passenger Duty and Aggregates Levy and the assignment of a share of Scottish VAT revenues. We will take forward plans for the implementation of these new powers. The Commission also recommended additional powers over income tax including full control over setting different rates of income tax and tax thresholds (other than the starting rate). These proposals are the subject of the Scotland Bill currently being considered by the UK and Scottish Parliaments and we are taking forward plans for their implementation.

Consumer Protection

The Scotland Bill is devolving wider economic levers in the areas of competition and consumer protection. The Scottish Government will work in partnership with interested groups to create an integrated consumer protection regime that puts the interests of consumers first.

We will give consumers greater clarity on where to turn for help and advice, including those in vulnerable positions. We will also use these regulatory levers to support economic growth by stimulating competition and enabling better regulation initiatives. We will achieve this through:

- Publication of our response to the recommendations of the Consumer and Competition Policy Working Group.
- Developing a Consumer and Competition Strategy for Scotland.
- Working with our stakeholders to deliver a Scottish approach to consumer redress that is comprehensive, effective and widely used.
- Outlining the form and functions for a unified consumer body, which will provide high quality, efficient and accessible advocacy and protection.
- Outlining our vision for how we will use the competition powers being devolved to safeguard consumers and prevent anti-competitive behaviour. Publication of our first strategic assessment of Scottish markets will identify areas of competition concern and prioritise how we and other stakeholders will work together to address these market failures.

AIR PASSENGER DUTY

We are committed to replacing Air Passenger Duty (APD) with a more competitive regime that better supports our goal of boosting international connectivity and business growth.

We have established a forum, with membership from the airline industry, Scotland's airports, environmental groups, business organisations and tax professionals. This forum will support the development of our policy proposals, including helping us to shape a policy consultation on a Scottish APD which we plan to launch this October. The Scottish Parliament will be able to legislate for a replacement Scottish tax only once the new Scotland Bill has been passed by the UK Parliament.

We will reduce the burden of APD by 50% with the reduction beginning when we introduce a Scottish APD in 2018 with a view to abolish it completely when resources allow. We are currently consulting with stakeholders on the best way to apply that reduction across new and existing routes.

Scotland's Tax Powers

From April 2016, under the Scotland Act 2012, the main UK rates of income tax will be reduced by 10p for Scottish taxpayers and in its place the Scottish Parliament will be able to set a Scottish Rate of Income Tax (SRIT) each year. For example, if the Scottish Parliament set the rate at 10p, Scottish taxpayers would continue to pay the same amount of income tax as they do now. We will bring forward proposals for SRIT as part of our 2016-17 draft Budget.

The 2012 Act income tax powers offer limited flexibility as any rate changes must be applied equally to all tax bands. We continue to argue, therefore, for the transfer of the further income tax powers in the Scotland Bill at the earliest opportunity. The ability to set thresholds and vary rates by band will allow us to design an income tax policy which supports Scotland's Economic Strategy and reflects our stated approach to taxation – a policy that will meet the distinctive needs of Scotland, supports sustainable economic growth and is linked to the ability to pay and tackles inequality.

The first national taxes set by the Scottish Parliament in over 300 years came into operation in April this year. Land and Buildings Transaction Tax (LBTT) and Scottish Landfill Tax replaced Stamp Duty Land Tax (SDLT) and UK Landfill Tax in Scotland on 1 April 2015. Alongside this Revenue Scotland, Scotland's new tax authority, started collecting these devolved taxes.

LBTT provides for a tax that is modern, efficient, and progressive and which minimises distortions in commercial or housing-market activities. Our residential LBTT rates and bands prioritise support for first-time buyers. We are taking 50% of house purchases out of tax altogether – 10,000 more than under the UK's SDLT. Over 90% of house buyers will pay less in tax compared to SDLT or will pay no tax at all.

SCOTTISH FISCAL COMMISSION BILL

The Scottish Fiscal Commission plays an important scrutiny role in Scotland's fiscal framework. The Commission currently operates on a non-statutory basis. We published a consultation on our legislative proposals to place it on a statutory footing in March 2015.

The Bill will establish a robust and fully independent Scottish Fiscal Commission on a statutory basis, which is directly accountable to Parliament. The Commission will scrutinise tax forecasts and other fiscal projections prepared by the Scottish Government. While the initial remit of the Commission will be proportionate to the fiscal powers devolved to the Scottish Parliament, the Bill will create a platform to expand the functions of the Commission as new fiscal powers are devolved.

The Bill will require the Commission to publish reports setting out its assessment of:

- Forecasts of receipts from the devolved taxes.
- The assumptions made in relation to the economic determinants underpinning forecasts of receipts from non-domestic rates.
- Forecasts of receipts from income tax attributable to a Scottish rate resolution.
- Scottish Ministers' projections as to their borrowing requirements.

The Scottish Government will also bring forward the Bankruptcy Consolidation Bill to put Scotland's bankruptcy legislation in one place in order to ensure that Scottish bankruptcy law is readable, accessible and easier for both practitioners and those affected by the law to use.

BANKRUPTCY CONSOLIDATION BILL

The Scottish Government is committed to modernising debt management and debt relief, ensuring the options available to help people in financial difficulty are appropriate for the 21st century. Extensive consultation and reform of personal insolvency has introduced many legislative changes over the last decade, with the Bankruptcy (Scotland) Act 1985 heavily amended so that the ordering of the legislative provisions has lost coherence and structure. Consolidation will make the legislation more accessible for practitioners and those affected by it, saving time and money.

ANNUAL BUDGET BILL

The work laid out in this Programme for Government will be supported by the annual Budget.

BUDGET BILL

The annual Budget Bill provides Parliamentary approval for the Scottish Government's spending plans, allowing the allocation of resources to our strategic objectives and supporting progress towards our vision of a more successful country, with opportunities for all of Scotland to flourish through increasing sustainable economic growth.

PROTECTING AND REFORMING OUR PUBLIC SERVICES



High quality public services are essential to a fair and prosperous society. During our time in office we have undertaken a major programme of reform and improvement across our public services. We have done so against a backdrop of constrained public finances.

Our reform programme has already provided multiple benefits and will continue to do so for the long term. Some of our key achievements include:

- Integration of health and social care.
- Introduction of Curriculum for Excellence in our schools.
- Reshaping of our college sector to make it fit for the needs of a 21st-century economy.
- Establishment of the single fire and police services.

Our approach to public services and to public service reform continues to be informed by the findings of the Christie Commission on the Future Delivery of Public Services, giving us consistent and clear strategic direction built around the four pillars of reform: partnership; prevention; people; and performance. This approach demonstrates that we are focused on putting people and communities at the centre of public service delivery and policy making. It is designed to:

- Protect our public services.
- Target the causes rather than the consequences of inequalities.
- Make sure that our public services are sustainable in the face of the challenging economic climate, and reflect the changing shape of our society.
- Make best use of technology.

This Programme for Government sets out the foundations for the next phase of reform. In particular it describes the key reforms that we will take to ensure that our education system offers our young people a world-class education and that we have the evidence to prove it, that we have an NHS that is organised to respond to the demands of changing demographics and ever advancing technology, and a police service that is not only operates to a very high standard of efficiency but which also enjoys the trust and consent of all the communities which it serves.

This is a collective endeavour. Scotland's local authorities and public bodies share our focus on improving outcomes, and are key partners. The third sector also plays an important role in delivering public services, offering specialist expertise and a flexible and innovative approach. We recognise that the sector plays a valued and essential part in Scottish life. We believe that by involving and engaging citizens and communities in the design and delivery of services, by removing barriers where we come across them, and by working more collaboratively within and across public service boundaries, we will deliver the change needed.

EDUCATION

Scotland's children and young people are our greatest asset and investing in their education is essential to achieving their aspirations and our ambitions as a country. We are taking the right steps to improve Scottish education – and we are seeing results.

We have a more coherent, flexible and child-focused curriculum which sets higher standards for achievement than ever before with the development and implementation of Curriculum for Excellence. Inspection evidence highlights that 69% of our schools are graded as good, very good or excellent. We are seeing record exam results, with students across Scotland achieving 156,000 Higher passes this year – up 5.5% on 2014, and with Advanced Higher passes increasing by 4.0% to a record level of 18,899. More of our young people are achieving Higher qualifications than ever before.

While Curriculum for Excellence is delivering a transformed learning experience for many of our children and young people, there is a longstanding and unacceptable gap in attainment between our least and most affluent areas. School leavers from our least deprived communities are still twice as likely to have a Higher qualification than those from our most deprived communities. Overall standards in literacy and numeracy remain high, but we are not seeing improvements – particularly in the early years of secondary school. Literacy and numeracy are the foundations of our education system and the gateway to learning; no child can be left behind.

We have a full and comprehensive picture of attainment in the senior phase (S4 to S6) of school, with information available through the Parentzone website and a new and innovative benchmarking tool, Insight, available to schools and local authorities. But we do not yet have a consistent, robust and transparent picture of how children are progressing in the earlier years of their education, nor a clear line of sight between action in the classroom and progress nationally.

As the next phase of Curriculum for Excellence, we will develop and implement a *National Improvement Framework for Scottish Education* which sets out our vision and priorities for Scotland's children and their progress in learning.

NATIONAL IMPROVEMENT FRAMEWORK

We will develop and implement a ***National Improvement Framework for Scottish Education*** to improve outcomes for every child in Scotland. The purpose of the Framework will be to ensure, in an evidenced and focused way, that our education system is continually improving, that all children are being equipped with the skills they need to get on in the world and that we are making progress in closing the gap in attainment between those in our most and least deprived areas.

The Framework, now published in draft, will:

- Set out our vision and key priorities in Scottish Education.
- Ensure a forensic focus on data to inform our approach to educational improvement at every phase of education in Scotland.
- Provide improved information for parents and carers to support their key role in their children's education.
- Underpin the professional development needs of teachers and other professionals and provide support where it is needed.
- Support school leadership to deliver outstanding results for children and young people.

The Framework will provide consistent evidence on the progress for every child in Scotland. This means that:

- Children can celebrate success and understand their areas for improvement.
- Parents have the information they need to provide more focused support where it is needed.
- Class teachers can provide the help and support needed for individual children to achieve their aspirations.
- Schools, local authorities and national agencies can access information that will inform improvement activity and any interventions required.

NATIONAL IMPROVEMENT FRAMEWORK (cont'd)

In the coming months, we will further develop the National Improvement Framework, first by designing a new system of national, standardised assessment at P1, P4, P7 and S3 to inform teacher judgement, which is at the heart of Curriculum for Excellence. This will bring consistency to the variety of different approaches to assessments currently followed in our 32 local authorities. This will be in place for piloting during 2016. The areas and schools involved in the Scottish Attainment Challenge will make use of the new assessment materials during 2016 before they are adopted by all local authorities in 2017. Interim reports, using available information, will be published later this year and at the end of 2016. The first full Framework report based on the new approach will be published at the end of 2017.

To give the Framework the appropriate status and to enhance transparency, accountability and consistency we will bring forward amendments at Stage 2 of the current Education Bill to place the Framework and reporting arrangements on a statutory footing. Our intention is for local authority partners to share key assessment data each year and for Ministers to report to Parliament annually on progress towards the priorities outlined in the Framework. The clear purpose of this reporting and use of assessment data is to drive collaboration, improvement and accountability throughout Scottish education and create a sense of shared purpose across the system.

Further phases of work will take place during 2016 and beyond to develop plans for reporting and the other aspects of the Framework more fully. We will work closely with local government, teachers, parents and other partners throughout the detailed development of the Framework. The timescales for implementation of the full Framework are included in the draft Framework.

We continue to invest in the quality of our teaching profession including through the implementation of *Teaching Scotland's Future* to ensure we have a professional and highly skilled teaching workforce. We have invested £51 million to maintain teacher numbers across Scotland and will maintain our commitment next year, recognising the key role that teachers have in improving our children's outcomes. The establishment of the Scottish College of Educational Leadership will deliver dynamic leadership within our schools.

The Scottish Attainment Challenge was announced in February 2015 and backed by a £100 million Attainment Scotland Fund over four years. Seven local authorities have been selected as the first 'Challenge' Authorities, to lead the way in supporting children from disadvantaged backgrounds to reach their full potential. A further 57 schools in 14 other local authorities have been selected as the next tranche of the Attainment Fund, providing support for some of the most hard pressed local

communities in Scotland. A focus on literacy, numeracy and health and wellbeing in the primary years will provide a solid base for children to unlock the curriculum in future years, improving life chances.

We have delivered the expansion of the *Raising Attainment for All* programme, with 23 local authorities and over 250 primary and secondary schools now involved in this work. The valuable and positive lessons learnt from this and other programmes such as the School Improvement Partnership will be taken forward and spread through directly embedding them in the work of the Attainment Challenge and the *Raising Attainment for All* programme.

We have commissioned the OECD to undertake a review of Curriculum for Excellence, with a particular focus on the broad general education - P1-S3 - to report before the end of this year. Their findings will review our progress across the system and draw on international evidence of what works.

Education Scotland, our national improvement and inspection agency, will develop a new National Improvement Hub starting with a focus on supporting the Attainment Challenge. As a core element of this new Improvement Hub, Education Scotland will also launch a new updated version of our core national improvement guide for schools, *How Good is Our School*. This, together with the review of inspection, will shine a sharper spotlight on the issues around attainment in our schools and beyond, ensuring we have a clear understanding of the issues and when, and where, outcomes are improving.

We want to see further improvements in inspection outcomes overall – with the percentage of schools evaluated as good or better rising on a year-on-year basis. Broader support to improve literacy and numeracy is being provided through literacy hubs in Edinburgh, Fife, North Lanarkshire and West Dunbartonshire, and a national numeracy and mathematics hub providing web-based learning and teaching resources. This is being backed up by local authority champions to support teachers in numeracy and mathematics, as well as a national progression framework and guidance for teachers.

We continue to build new schools and improve existing schools through our *Schools for the Future* programme. More than 20% of the school estate has been transformed since 2007. However, there is more to do. We must also ensure there is an even greater focus on learning and teaching being firmly embedded in, and led by, evidence of what works. We know that there is already excellent practice in classrooms across the country and we will ensure that excellence is spread more widely and that we learn from local and international practice.

Raising Attainment

Alongside our National Improvement Framework for Scottish Education, we will continue to work in a range of other ways to raise attainment in our schools. A powerful new national network of Attainment Advisers, based locally but collaborating nationally to spread expertise and learning, is now in the process of being established.

Attainment Advisers have been secured to work with the seven Authorities involved in the first phase of the Scottish Attainment Challenge and will start work at the beginning of the 2015-16 school year. We are continuing the process of identifying suitable candidates for the roles and 24 will be assigned by the end of September. The remaining eight roles will be filled by November 2015, meaning that all local authorities will have a named Attainment Advisor.

Curriculum for Excellence is now embedded in schools across Scotland. For the first time this year, all pupils in publicly-funded Scottish schools are 'Curriculum for Excellence' students and new National Qualifications courses are being offered across the Senior Phase. New courses and qualifications were successfully introduced in 2013-14 and 2014-15 and new Advanced Highers will be introduced in 2015-16. Additional support of £1.0 million was provided in March 2015 to assist schools with implementation of the new qualifications.

Reflecting the central importance of school leadership in improving attainment, we announced that a masters qualification for headship will be mandatory for all new head teachers from 2018-19. The new qualification 'Into Headship' is being launched in September 2015 with the first cohort of aspiring head teachers. This recognises that highly trained, motivated and empowered teachers are key to driving improvements.

Civic participation and Community Empowerment continues to be a formative experience for children and young people in Scotland. A successful Children's Summit launch event took place in November 2014, bringing children and young people together from all over Scotland. This was followed by Summits in Inverness and Oban. This work will continue, linked to activity on Fairer Scotland and the work to scope out the 2018 Year of Young People.

We provided initial support for the work of the Children's University, giving children a passport to a wide range of learning and development experiences, expanding interests, activities and knowledge.

We redesigned and launched the new Parentzone web resource, with new, school level, senior phase data now included.

This is helping to provide parents with all relevant information about their child's school and how to support their child's education. It will be supplemented in the near future with new evaluations of performance in primary and lower secondary schools. We also launched a web resource for schools to provide support to develop and implement effective parental engagement strategies.

Early Years

We must give our children and young people the best start in life. A child's earliest years have a disproportionate effect on their life chances - from language development before school, attainment at school and beyond, through to their healthy life expectancy. That is why we will continue to put children and families at the centre of our service delivery.

EQUIPPING SCOTLAND'S CHILDREN TO LEARN AND THRIVE

We will implement a package of activity **to better equip Scotland's children to learn and thrive**, with specific focus on children from deprived backgrounds. Evidence suggests that most young people have high aspirations, and underachievement often results not from low aspiration itself but from a gap between aspirations and the knowledge and skills required to achieve them. In addition, recent research tells us that there are specific actions that we can take to avoid the intergenerational transfer of inequality during the teenage years. There is a package of interventions we will test to address underachievement and inequality. By March 2016, we will work with:

- *The Children's University* to provide a wider range of learning experiences for children and young people, so they can get a taste of different subject matter and develop early career awareness whilst still at primary school.
- *Winning Scotland* to provide support for schools on the development of *Growth Mindset* approaches, supporting children and young people and providing tools for them to enhance resilience.
- *Includem* who will support 'just coping' families with adolescents on the edge of exclusion, to encourage better engagement with education, participation in their community and more positive family and peer relationships, all leading to improved life chances.

In addition we will build on the continued success of our Children and Young People's Summits; learning from the views and experience of the children and young people who have participated. We will extend our year of engagement to continue our positive dialogue with Scotland's young people; specifically on the theme of Fairer Scotland and linked to the 2018 Year of Young People. This will include a Teenagers' Convention where young people and experts will come together to take advantage of our collective knowledge.

The Scottish Government will also encourage positive parenting in the early years as set out in the Early Years Framework and the National Play Strategy. Our *'PlayTalkRead'* campaign supports parents and carers to play, talk and read daily with their young children to give them the key skills, motivation and abilities that make it easier for them to continue learning through their lives.

Evidence from the Growing Up in Scotland Study shows us that the introduction of *'PlayTalkRead'* has been associated with an increase in the proportion of parents who frequently look at or read books to their children in the first year of their lives.

We will also use our Public Library Improvement Fund in 2015-16 to support projects in our local libraries – providing automatic library membership for babies and young children in all 32 local authority areas.

Higher Education

The Scottish Government is committed to education being based on the ability to learn, not the ability to pay. We want a child born today in one of our most deprived communities to have no lesser chance of entering higher education than a child born in one of our least deprived, and we therefore have a long-term goal that 20% of university entrants come from the most disadvantaged 20% of society.

To deliver this, the Scottish Government has established the Commission on Widening Access, which first met in April 2015 and is made up of key figures from business, education, early years and student representatives. The Commission has been asked to provide an interim report in Autumn 2015, followed by a final report in Spring 2016.

JUSTICE

Delivering safer and stronger communities is an essential part of Scottish Government policy. People have a right to feel safe and have confidence that justice and fairness will prevail. However, when problems and disputes turn into crime and disorder we must ensure we have a fair and swift justice system, and a clear penal policy. The law-abiding majority must be served by a modern and efficient justice system.

Domestic Abuse and Sexual Offences

In last year's Programme for Government we committed to taking action to tackle the unacceptable levels of domestic abuse in our society, including enhancing support for the victims of abuse and consulting on measures to strengthen the law against those who commit abuse. Positive progress has been made. We have committed £20 million in additional funding over three years towards a range of measures to tackle all forms of violence against women and girls.

CHILDCARE AND EARLY LEARNING

Investment in early learning and childcare remains one of our most important policies to improve outcomes for children and support participation in the labour market, especially for women.

Our early learning and childcare policy supports parents to work, train or study, especially those who need routes into sustainable employment and out of poverty. The Scottish Government has committed an extra £330 million over 2014-15 to 2015-16 to implement increased hours of early learning and childcare to 600 hours a year; to extend this to 27% of two year olds; and, improve flexibility and choice based on local consultation.

The Scottish Government has committed to further expansion, and has started planning to double those hours to 30 hours a week from 2020, including significant expansion in the early learning and childcare workforce.

Working with the Courts and Crown Office, the additional funds are ensuring that cases involving domestic abuse and sexual offences are being heard more quickly, reducing inconvenience and distress for victims. The funds are also supporting specialist advocacy and support services for victims, including in rural and island locations, as well as training professionals to help identify the signs of abuse and initiatives in schools to address the attitudes and behaviours in our society that give rise to abuse.

In July 2015, Police Scotland confirmed that it would roll out across Scotland a National Disclosure Scheme for Domestic Abuse, allowing people to make a request for information about a partner's previous conduct if they are concerned about potential abuse.

Between March and June this year we consulted on a range of changes to the law to strengthen the powers of police and prosecutors to tackle domestic abuse and sexual offences, including seeking views on

the potential for a specific domestic abuse offence, as well as a specific offence against the sharing of private intimate images and on directions to juries in rape trials.

Initial analysis of the consultation responses suggests strong agreement that the current law does not reflect the experience of victims, in particular those who are victims of ongoing coercive and controlling behaviour by partners or ex-partners. There was a wide variety of views about how best to frame an offence. We are committed to addressing this current gap and ensuring that the law is effective and can better protect victims. We are continuing to work with key stakeholders on the preparation of a specific offence and in November we will publish and seek views on the exact wording of a specific offence to deal with those who commit psychological abuse and coercive and controlling behaviour. We will also introduce a Bill to Parliament to take forward other measures arising from the consultation including a new statutory domestic abuse aggravator.

ABUSIVE BEHAVIOUR AND SEXUAL HARM BILL

The Abusive Behaviour and Sexual Harm Bill will modernise the criminal law to better reflect the nature and experience of domestic abuse. It will also reform the law in relation to acts of harassment and sexual offending. The Bill includes policy consulted upon in the Scottish Government's *Equally Safe Reforming the Criminal Law to Address Domestic Abuse and Sexual Offences* publication to help give the police, prosecutors and our courts additional powers to ensure effective action can be taken against those who commit domestic abuse, harassment and sexual offences.

In particular, the Bill will:

- Create a new statutory domestic abuse aggravator.
- Create a new offence of sharing private intimate material.
- Require judges to give juries specific directions when dealing with sexual offence cases.
- Enhance protections for victims of harassment.
- Give Scottish prosecutors and courts powers in relation to existing child sexual offences when committed elsewhere in the UK.
- Reform the system of civil orders to enhance the protections available for communities from sex offenders and to help prevent sexual harm.

A number of measures to improve the information and support available to victims and witnesses have come into force over the past year, including:

- New rights for victims and witnesses to access information about their cases.
- A new duty on key criminal justice agencies to set and publish standards of service for victims and witnesses.

In May 2015, the Scottish Government's Historical Child Abuse Inquiry chaired by Susan O'Brien QC was launched. This will be one of the most wide ranging public inquiries Scotland has ever seen and will consider instances of child abuse in a wide range of care settings. Additional funding of £13.5 million is to be invested over five years (2015-20) to develop a dedicated in-care support fund to enable survivors to get individual, needs based support for as long as they need it, and an additional £1 million for enhanced survivor support for all survivors.

Through grant funding the service will provide an affordable in-care survivor support fund, which provides the opportunity for individuals who have experienced harm in childhood as a result of abuse in care to access to redress in the form of support fund/services tailored to their individual needs and personal outcome goals. The service will provide case management through a trusting relationship with the survivor providing support and advocacy to access the services they require, which will be available for as long as required.

Burial and Cremation

We will take forward measures through the Burial and Cremation Bill to implement recommendations made by Bonomy Commission on the cremation of infants and children. The Bill will put in place arrangements to address the growing pressure on burial grounds in Scotland and will introduce new regulation and inspection arrangements for crematoria, burial authorities and the funeral industry.

Community Justice

The Scottish Government will introduce a new Community Justice Strategy in 2016 to support the reform of community justice. These developments will be underpinned by the Community Justice Bill, introduced to the Scottish Parliament in May 2015. The transition from the current arrangements to new structures will be supported by funding of £1.6 million a year for three years.

We will create a new national prison for women, along with a number of small community-based custodial units by 2019-20. This will be consistent with the recommendations of the Commission for Women Offenders and will deliver a bold new vision for how women in custody are looked after in Scotland, in keeping with a core set of principles that ensure:

- Where courts determine that a custodial sentence is appropriate, security should be proportionate to the risk posed by women offenders.
- Custodial facilities for women should support a recovery ethos.
- Custodial facilities for women should be located as close as possible to communities.

SUPPORT FOR VICTIMS AND WITNESSES

The Scottish Government will continue to improve the information and support available to victims and witnesses. Ongoing implementation of the Victims and Witnesses (Scotland) Act 2014 will ensure that, from September 2015, vulnerable witnesses have wider and more effective access to supportive measures – including automatic eligibility for measures such as giving evidence via video link for alleged victims of sexual offences and domestic abuse. We will also extend the availability of such measures to the Justice of the Peace courts, to ensure that support measures are available throughout the court system.

BURIAL AND CREMATION BILL

The current legislation for burial and cremations is over 100 years old, and much of it is inadequate for modern needs. The Bill will create a system that is fit for 21st-century Scotland.

In particular, the Bill will:

- Provide a modern, robust and consistent framework for all burial and cremation authorities.
- Address pressure on burial grounds and support their long-term sustainability through a range of measures, including allowing the reuse of full burial lairs in carefully controlled circumstances.
- Provide burial authorities with greater powers to maintain burial grounds.
- Improve the process involved in cremating pregnancy losses, babies and infants.
- Improve the safeguards around cremation.
- Introduce new inspection powers.

COMMUNITY-BASED JUSTICE

The Scottish Government will invest a further £1.5 million in community-based justice services for women in 2015-16. This will help sustain existing services and provide additional funding for local services that should help reduce the number of women being remanded and receiving short sentences. This funding follows the £3 million invested by the Scottish Government from 2013-15 to support 16 projects delivering new or enhanced services for women offenders in communities across Scotland.

The Reducing Reoffending Change Fund (RRCF) has funded six mentoring services for male and female offenders across Scotland. It allocated £10 million in grant funding to third sector organisations in 2012-15, and has been extended for 2015-17 by a

further £8 million bringing its total value to £18 million overall. This approach recognises that early diversion/community sentences are more effective than custodial sentences in reducing reoffending.

INDEPENDENT MONITORING SERVICE FOR PRISONS

A new system of independent monitoring of prisons under the auspices of HM Chief Inspector for Prisons is being established to meet our obligations under the Optional Protocol to the UN Convention Against Torture. The new arrangements, which came into force on 31 August 2015, will involve weekly prison visits by independent prison monitors who are members of the public drawn from local communities. It will ensure that all aspects of the prison are independently monitored and provide a system for identifying improvements to the conditions in prisons and the treatment of prisoners.

The Scottish Government will protect public safety by ensuring long-term prisoners whose risks cannot be managed in the community serve more of their sentences in custody. The Prisoners (Control of Release) Act will end the system of automatic early release for long-term prisoners. The Act also provides new flexibility to tailor the exact date of a prisoner's release to help improve access to support services in the community such as housing and social security. Minimum supervision in the community of six months was also introduced for all long-term prisoners leaving custody.

We will continue to improve the safety of those who are vulnerable to harm or exploitation. Our Human Trafficking and Exploitation Bill will clarify and strengthen the criminal law against those who seek to traffic and exploit adults and children and will strengthen substantially the rights of the victims of these crimes to access appropriate help and support. Alongside legislation, we will prepare with key agencies a Human Trafficking and Exploitation Strategy for Scotland.

The Inquiries into Fatal Accidents and Sudden Deaths Bill will provide the legislative framework needed to modernise the way fatal accident inquiries are handled in Scotland. The Bill will extend the categories of death in which it is mandatory to hold a fatal accident inquiry and place a clear requirement to respond on those to whom sheriffs direct recommendations at the conclusion of the inquiry.

The Air Weapons and Licensing Act became law in August 2015. The Act makes provision for the licensing and regulation of air weapons, and improves aspects of locally-led alcohol and civic government licensing in order to preserve public order and safety, reduce crime and to advance public health. There will be a public information campaign before the licensing regime for air weapons comes into force, so that people are fully aware of their new obligations.

As well as protecting safety, it is important that the law can address fairly the interests of families and individuals. We will progress the Succession Bill to implement Scottish Law Commission recommendations to make the law on succession fairer, clearer and more consistent.

We will also look more widely at the interests of children and families within the justice system. While many important reforms have been made to Scotland's courts cases involving family law can still take too long. In line with the UN's Convention on the Rights of the Child, it is also essential that the voice of the child is heard within this context. We will work with the courts, legal and social work professions, parents and children to improve the experience of children and families involved in family justice matters. We will ensure that important decisions affecting children's lives are not delayed inappropriately, that the voice of the child is heard and that each child's welfare and wellbeing is paramount.

Embedding Police Reform

The successful transition to the new single police service on 1 April 2013 has placed Scotland at the forefront of UK policing, with recorded crime now at a 40-year low. The introduction of Police Scotland has enhanced access to specialist expertise and equipment whenever and wherever it is needed, complementing strong local policing.

The establishment of the single police service was the biggest public service reform in a generation. It has made policing in Scotland more accountable both locally and nationally, and has already delivered significant savings while maintaining our commitment to 1000 additional officers in the face of Westminster cuts.



POLICING

Now that delivery of the reform programme is well advanced, it is time to take stock of the lessons learned to date and ensure we have a police service which meets the needs of the people of Scotland in the future. To deliver this we will:

- Strengthen the community focus of policing. Policing must be carried out with the support of communities throughout Scotland. We will provide opportunities for members of the public, communities and local police scrutiny committees to discuss and develop new national priorities for policing in Scotland. These national priorities will be agreed and published by Summer 2016 and will provide a clear mandate for the Scottish Police Authority and Police Scotland going forward. The Scottish Parliament, the Scottish Police Authority and local scrutiny committees will have a shared responsibility for holding the police to account for the implementation of these priorities.
- Enhance accountability and scrutiny of policing at a local level. The Chief Constable will undertake a new programme of public scrutiny sessions to provide more direct accountability for the performance of policing in local areas. These will be organised across three regional groupings with two to three sessions in each region every year. Over time, the aim will be that each local scrutiny committee has the opportunity to host such a session. Through a local scrutiny Summit to be held in September, we will identify further ways to enhance local accountability.
- Use the opportunity of the appointment of the new Chair of the Scottish Police Authority to undertake a review of police governance at national level. This will ensure accountability arrangements for policing can build on the lessons learned during the operation of the single force to date and ensure robust arrangements are in place for the future.
- Work with the Scottish Police Authority to consider the implications of changing demands on Scottish policing by Summer 2016. This will ensure that, in the future, Scotland continues to have a Police Service which improves the safety and wellbeing of persons, localities and communities in Scotland.
- Introduce a Statutory Code of Practice for Stop and Search that puts into practice the recommendations of the independent Advisory Group chaired by John Scott QC.

FIRE AND RESCUE SERVICE

The Fire and Rescue Service in Scotland's programme of integration is at an advanced stage and progress towards a truly integrated single service will continue into 2016 and beyond. There have been many successes since the new Scottish Fire and Rescue Service was established in April 2013, helping to deliver key benefits, such as more equitable access to specialist equipment and protecting local services despite financial cuts from Westminster.

We will review the Fire and Rescue Framework set out by this Government in April 2013 and will consult widely as part of this process. We will ensure that new fire priorities guide the approach taken by the Scottish Fire and Rescue Service as it continues its key role in making Scottish communities safer.

HEALTH AND SOCIAL CARE

Improving Scotland's health is fundamental to the Scottish Government's purpose of creating a more successful country, with opportunities for all of Scotland to flourish through sustainable economic growth. We want to have a healthier population, achieved by taking a more holistic approach to the promotion of healthy lifestyles and to the tackling of significant and persistent inequalities.

Our ambition will be supported by a health and social care system that provides high quality, compassionate, effective help at the right time where and when people need it. Our approach is central to our broader aims of creating social justice and protecting public services. We will encourage cross-service working to address inequalities and provide better links to housing, social security and employability, for example, to support sustainable and inclusive economic growth.

Scotland has made significant improvements to the health of our citizens and to the quality of health and social care. We have a clear programme for improving health and care. At its core is a fundamental transformation of our services through the

integration of health and social care. We will build on the changes already made and, over the period out to 2030, we will further shift the balance of care, transform primary and community care services, introduce new models of care, develop our health and social care workforce and focus on health outcomes both at the population and individual levels. In doing so we will focus on developing services that provide quality care, regardless of the time or day of the week, and on a basis which is sustainable in the long term. As part of these changes we will also look to the needs of the hospital estate, planning effectively for future needs to maintain quality and safety in elective care.

Our vision of the future will be shaped by public and professional expectations. The Scottish Government launched a public conversation on the future of Health and Social Care on 23 June 2015. It is pro-actively engaging the public, patients and their families, those in need of support and their carers, professional bodies, local authorities, the third sector, politicians, various interest groups and NHS staff in a conversation to help shape a transformational change in Scotland's approach to population health and to the delivery of health and social care services by 2030. We will put in place a plan to meet our future workforce requirements for health and care.

Since 2011, we have been engaged in the process of integrating health and social care services. Disjointed systems of health and social care do not help the increasing number of people who are living longer into old age, often with multiple, complex, long-term conditions and who, as a result, need joined-up, integrated services.

In the next year adult health and social care services will be formally integrated around the needs of individuals, their carers and other family members. Providers of those services will be held to account for improved delivery. Services will be underpinned by flexible, sustainable financial mechanisms that give priority to the needs of the people they serve rather than the needs of the organisations through which they are delivered. These

arrangements will be characterised by strong and consistent clinical and professional leadership.

We now have in place the necessary legislative framework for integration and health boards and local authorities are putting their integrated arrangements in place now, with new Health and Social Care Partnerships bringing together planning, delivery and resources for local health and social care services. All the new Partnerships will be up and running by April 2016, supported by additional funding of over £500 million to support innovation and new models of care.

We are already seeing signs of real progress with partnerships adopting the new integrated approach in advance of the formal vesting of powers:

- In Glasgow, the Health and Social Care Partnership has adopted a new approach to allowing people to leave hospital and to return home or to a short-term intermediate care setting. In overall terms it has reduced by a quarter the number of that people are delayed by staying in hospital.
- In Fife, the Health and Social Care Partnership has achieved a reduction of approximately 20% in delays in hospital by taking an integrated approach to budgets and service solutions.
- In Aberdeen, the Health and Social Care Partnership is addressing recruitment challenges in the care sector by establishing a centre of excellence alongside affordable staff accommodation.
- Highland's Health and Social Care Partnership has introduced an innovative collaborative commissioning approach that will improve the capacity and quality of care at home.

PROVIDING QUALITY CARE IN OUR COMMUNITIES

In future we want to significantly enhance primary and community care – so that we can provide a better service and better outcomes to patients, families and carers and deliver an enhanced Community Health Service. We also want to better support people to live with and manage their illnesses in a way that is best for them.

Through examining at least 10 primary and community care test sites over the coming year, in both urban and rural settings, we will determine the next stage of service reform. Those sites will be in Glasgow, Edinburgh, Fife, Tayside, Forth Valley, Campbeltown, West Lothian, Islay, Mid-Argyll and Clackmannanshire. Our aims are based on some simple principles:

- To deliver as much care as possible at or close to home.
- To ensure that care is delivered by the individual or team with the most appropriate skills, helping individuals plan for their care.
- To ensure that people are only admitted to hospital when they are in real need of hospital treatment. and
- To ensure that when someone is admitted to hospital their journey out of hospital is planned and straightforward.

Our models will extend the care currently delivered by GPs and multi-disciplinary teams to provide a wider range of services for each local area. Alongside these improvements will be continued developments in techniques at the boundary of primary and secondary care. Currently these include, for example, important and innovative approaches such as 'hospital@home', 'step-up/step-down' beds, intermediate care at home, frailty clinics and community wards.

We know that one size does not fit all. Our approach will build on innovations already underway that reflect local priorities, for example: in reducing health inequalities (in Craigmillar and Govan); improving mental health (in Fife); and helping people to age well

(in Tayside). Equipped with this flexibility, care will develop in ways that match the needs of different individuals and communities in cities, towns, villages and rural areas.

The integration of different types of care is already the practice at Clackmannanshire Community Healthcare Centre. It provides primary care through three GP practices while also providing wider services such as outpatient services, two inpatient wards, a Day Therapy Unit and a local Mental Health Resource Centre. The Centre is a base for district nurses, health visitors, community rehabilitation teams, health improvement

and a wide range of support services and classes. These include rehabilitation exercise classes for patients with chronic lung conditions, smoking cessation classes, carers support groups, hearing aid repair clinics and cancer support nursing staff.

A range of services and treatment is provided for people with mental health problems and the 45 inpatient beds provide flexibility to be used either for older people following treatment in an acute hospital, patients who need palliative care or to provide long-term continuing care for people with complex, medical, physical or mental health needs.

ENHANCEMENT OF PRIMARY AND COMMUNITY CARE

By the end of 2015-16 we will already have invested an additional £10 million in enhancing primary care. This will be further supported by a total investment of £50 million over the next two years. The £60 million fund sets out the first steps in the transformation of primary care and supports new roles to meet patients' needs within primary care including primary mental health services.

Through this fund we will:

- Support GP practices to test new ways of working to improve services for patients and influence the GP contract. These include currently developed innovations being tested by Lothian Headroom (including Wester Hailes and Craigmillar), Govan Medical Centre and with GP clusters in Grampian where GPs are working with their community to better understand what patients need and design better local services.
- Recruit 140 new pharmacists with advanced clinical skills training to work directly with GP practices to deliver consistency of pharmaceutical care to patients. We are exploring how to continue to support the developing pharmacy workforce into new roles through our work on *Prescription for Excellence*.
- Support and accelerate use of digital services by GP practices, e.g. by improving access for patients to on-line appointments and repeat prescriptions.
- Increase the number of medical students choosing to train as GPs, encourage those wanting to work in rural or deprived areas, continue the Enhanced Returners programme supporting GPs who wish to return to the profession and develop a programme for local GP leadership and networking. We will, in consultation with others, increase the output from medical schools, encouraging and improving training in General Practice.
- Buy specialist equipment for opticians to improve screening for glaucoma reducing the number of patients requiring hospital admissions.
- Fund the Scottish School of Primary Care to improve research and training for primary care leading to better outcomes for patients.
- Invest in innovative ways of encouraging better identification and management of patients in the community with mental health needs.

ENHANCEMENT OF PRIMARY AND COMMUNITY CARE (cont'd)

As part of our transformation of primary care, two of the 10 sites where we plan to test new approaches in the coming year will be in Forth Valley and Fife where we will establish two innovative community health hubs. Through the hubs the local population will be able to access a range of services in a community setting, for which they would normally have to travel to an acute hospital. A unique feature of these hubs is that part of the healthcare team will be a new type of doctor – qualified GPs who will receive an additional year of training to give them the skills to work across primary and acute care. The hub will also offer opportunities for innovation in the roles of nurses and other health professionals to maximise the contribution of the whole workforce. We will start training the staff this Autumn.

Between now and March 2017, we are also testing new models of care in the following remote and rural areas, to ensure that we deliver care in a way which meets local needs:

- **Campbeltown:** the community hospital will work alongside three local GP practices to provide 24/7 care with the support of an enhanced Scottish Ambulance Service response.
- **West Lochaber:** (comprises GP practices based in Mallaig, Acharacle and the Small Isles) set up a multi-practice model for the provision of GP and out-of-hours care. This will enable GPs from several practices to work together with the wider health and care team to provide care to patients across the local area.
- **Isle of Islay:** Three existing GP practices are working to put in place a new service, exploring a multi-practice model, to enable a more stable and sustainable healthcare service for residents centred around the community hospital and care home, with future plans to look at whether this could be extended to include the Isle of Jura.
- **Mid Argyll:** implement a similar arrangement to Campbeltown but also look at options for a multi-practice model. The aim is to enhance the workforce including working with NHS Education Scotland to implement enhanced training, and sustaining and improving the local services available to patients.

Enhancing primary and community care needs premises that are designed for 21st-century services and are welcoming for patients and staff alike. Next year will see many substantial further improvements.

In the future, GPs must be able to focus on complex diagnosis, organise the management of conditions and drugs as part of multi-disciplinary teams, and tackle the challenges that come with managing more people in the community. We are making good progress with delivering a new GP contract for Scotland for the period from 2017 onwards. As part of the transformation we will be testing aspects of this significant reform over the coming year.

This innovation has been made possible through our efforts to support GPs through a three-year stability deal from 2014 which has allowed us to work effectively in partnership with the British Medical Association and the Royal College of General Practitioners.

We will also act upon the findings of the review that we commissioned by Sir Lewis Ritchie on primary care 'out-of-hours' services. This will provide added insight in sustaining and improving multi-disciplinary primary care for those who need urgent help.

SUBSTANTIAL INVESTMENT IN COMMUNITY FACILITIES

Current plans for 2015-16 are for new community facilities in:

- NHS Dumfries & Galloway – a new Women and Children's Hub (£3.3 million) is due in Summer 2016.
- NHS Greater Glasgow & Clyde – Eastwood and Maryhill Health Centres – is due in March 2016 (£25 million).
- NHS Greater Glasgow & Clyde – Lennoxtown Community Hub – a shared project with East Dunbartonshire Council is due to complete in January 2016.
- NHS Grampian – Stonehaven Dental Hub (£1.5 million) is due in early 2016.
- NHS Lanarkshire – Wishaw Health Centre is due in Autumn 2015; part of £50 million development with Kilsyth and East Kilbride Health Centres that is already open.

These new developments will build on those completed in the last year, including:

- NHS Shetland – Scalloway Health Centre – £2 million contribution to a joint project with Shetland Council opened in August 2015.
- NHS Greater Glasgow & Clyde – Shields Health and Care Centre £2.7 million opened in August 2015.

IMPROVING HOSPITAL CARE

We are developing a new National Clinical Strategy which will be completed this Autumn. It will set out an overall vision for the development of clinical services over the next 15-20 years. It will present evidence that supports both the need for change, and how that change might be shaped at national, regional and local level.

What is already clear is that our changing demography means that the demand for routine hospital care is changing too. In the course of the year we will set out our plans to meet the demand for an increased number of procedures such as hip, knee and cataract operations. We will develop plans to provide a greater separation of non-emergency (elective) planned services compared to unscheduled care (emergency) services. This could have a significant impact on the shape and resilience of our hospital services in the future.

TRANSFORMING ACUTE SERVICES

We will introduce a 20-year strategy to deliver planned care swiftly, effectively and in line with best modern medical practice. The strategy will: (a) effectively eliminate use of the private sector for planned care; (b) significantly reduce the chances of cancellation of surgery; (c) deliver in full a world-leading performance on waiting times; (d) deliver increased efficiency and productivity; (e) secure greater resilience around the impact of winter; (f) lead to the creation of new facilities and the redevelopment of some of our older hospital sites as part of the overarching strategy.

This multi-million pound investment will create new jobs in construction and permanent additional staffing for the NHS thereafter. New facilities will be completed and delivered during the lifetime of the next Parliament.

WINTER PLANNING

The £5 million committed in the Programme for Government 2014-15 formed part of a total investment of £18 million to support the reduction in the total number of delayed discharges over winter. This resulted in a reduction of delays over three days from 947 in October 2014 to 646 at April 2015, with the overall level of bed days associated with delayed discharges also reducing by over 10% in the last quarter.

We are also supporting the NHS and its partners to plan for winter to help ensure that safe and effective services continue over the Winter period. In the coming year, we will continue to provide additional support which will supplement the direct investment already included within Boards' financial plans. In addition:

- We have strengthened Winter planning for health and social care. Winter guidance has already been issued for this Winter to help support the NHS to provide safe and effective care for patients and have effective levels of capacity and funding to support service delivery and expected activity levels. Local plans are being developed and will be published by the end of October 2015. Integrating health and social care and the £100 million being invested to improve delayed discharge are key priorities for the Scottish Government. The Scottish Government has also developed a fresh approach to improving unscheduled care across Scotland – in Winter and all year round – which is based on six essential actions.
- To provide more transparency and openness we now publish monthly statistics on delayed discharge.
- A report on last year's Winter has been published to support the NHS and its partners learn from the pressures it faced.

SUPPORTING RURAL HOSPITALS

We are taking action to support our rural hospitals in recruiting and retaining their medical staff.

Working with NHS Boards we are developing networks between rural and urban hospitals. These networks will support doctors working in rural areas to maintain and develop their skills – ensuring that patients receive safe care. In some areas this will involve rotating staff between rural and urban hospitals to ensure that we continue to provide services close to communities.

This work has already delivered early success in supporting the delivery of general surgical services in the Belford Hospital. Working with NHS Highland, we are now putting in place a network between Caithness General Hospital and Raigmore Hospital in Inverness, which will involve rotating staff between the two hospitals. This will support the delivery of the majority of surgical care and all out-patient care close to the community in Wick, while NHS Highland engages with local stakeholders to develop options for high quality, safe and sustainable services at the hospital and throughout Caithness.

We are also supporting an enhanced training programme for GPs who will be able to support the general medical services delivered in Caithness General.

DETECTING CANCER EARLY AND PROVIDING EFFECTIVE CARE

As our screening programmes roll out across Scotland and as we consider the requirements for planned and unscheduled care in the future, we will also consider the need for additional investment in diagnostic techniques. This will help us to improve cancer care. Cancer mortality rates have fallen over the last 10 years. The overall age-standardised cancer mortality rate (excluding non-melanoma skin cancers) has fallen by over 11% for both males and females between 2003 and 2013 (by 15% in males and over 5% in females). Since 2008, the Scottish Government has invested substantially in improving cancer treatment services in Scotland including:

- £11.5 million invested since 2011 to improve cancer service capacity in NHS Boards.
- £22 million for the new Beatson Satellite Centre, now being built at Monklands Hospital, to help meet the rising demand for radiotherapy treatment over the next 10 years (operational by end of 2015).

- £17.4 million to deliver the breast, bowel and cervical screening programmes.
- £39 million has been invested since 2012 in the Detect Cancer Early Programme. Most of the investment has been directly in NHS Boards and has been used to support improvements in diagnostic and treatment services. Early indications from the Programme are that it is having a positive effect.

We have consistently achieved the 31-day cancer access standard ensuring that once a patient has had a decision to receive treatment they have timely access to that treatment. We continue to work towards achieving the 62-day standard across all NHS Boards and tumour groups.

For the second consecutive year we have doubled our investment in the New Medicines Fund. £90 million will be available in 2015-16. The Fund supports treatments for people with rare or end-of-life conditions.

IMPROVING MENTAL HEALTH SERVICES

We will use our £100 million investment in mental health to:

- Further improve child and adolescent mental health services and bring down waiting times.
- Improve access to services and in particular psychological therapies.
- Respond better to mental health needs in community and primary care settings.

Third sector service providers will be key to delivering new services and there will be a focus on innovation and providing services in community settings.

BETTER MENTAL HEALTH SERVICES

This year we have announced investment of £100 million over five years to improve mental health. This will allow us to continue to build on the valuable work already started to improve access to mental health services and to improve and develop more person-centred approaches to supporting people's mental health and wellbeing.

Work will continue to reduce and prevent suicide and to address stigma and discrimination around mental health. There has been a significant increase in demand in recent years for child and adolescent mental health services and we will work with a wide range of partners to develop a strategic approach to promoting wellbeing, prevention, care, treatment and recovery.

IMPROVED PATIENT SAFETY

The Scottish Government will continue to support the Scottish Patient Safety Programme (SPSP), a world-leading initiative which started in January 2008 aimed at improving safety and reducing unintentional harm, and the only country-wide patient safety programme in the world. The SPSP has delivered significant successes and has contributed to the 16.1% reduction in hospital mortality rates. We will build on this work to improve patient safety in Scotland by: maximising opportunities to learn; encouraging spread of the work into all health and social care settings; aligning work with improvement work on person-centred care; and moving towards an approach that is more responsive to local safety priorities.

As part of this we announced in June 2015 the aim of reducing pressure ulcers by 50% across all healthcare settings by the end of 2017. This will build on the excellent work already taking place in acute care.

We will improve patient safety by introducing regulation of private healthcare clinics providing services such as botox as well as the small number of wholly private dental practices in Scotland.

NEXT STEPS FOR PATIENT SAFETY

We will build upon the successes we have already seen from the Scottish Patient Safety Programme (SPSP) to further improve the safety and reliability of health care. We will work with Healthcare Improvement Scotland (HIS) and Health Boards to improve safety wherever and whenever care is delivered. We will expand this improvement work across social care as well as ensuring that the SPSP reflects person-centred care approaches more effectively. To support this integrated approach and to provide a more flexible response to local challenges, we will bring Quality Improvement expertise for health and social care together within HIS.

REGULATION OF PRIVATE HEALTHCARE CLINICS

We will use secondary legislation to give Healthcare Improvement Scotland powers to regulate independent clinics whose services are provided by specified healthcare professionals. To support this we have commissioned a social marketing campaign to find out how to improve the knowledge and choices made, especially of young women from socio-economically deprived groups, before they use a variety of cosmetic interventions. Both the legislative and the social marketing work will be developed during 2015 and be in place in 2016. The planned outcome from both is safer environments for the delivery of services, and better informed public and potential clients.

A STRONGER PATIENT VOICE

We want health and social care services that are open and responsive, that listen carefully to people about what matters to them and that use feedback to drive and inform improvement. In June 2015 we launched a social marketing campaign aimed at families, carers and the public to help them engage purposefully with health and social care providers to continuously improve and transform services. People will be provided with feedback on the impact of their engagement or shown how their views have been considered.

Through 'Our Voice' we will ensure that the voice of the system user is heard and responded to at every level of the health and social care system:

- At individual level it will empower and support individuals to provide feedback about the care and services they receive. This feedback will be used to drive and inform continuous improvements to services.
- At local level we will establish a peer network by the end of 2015, to support people to engage purposefully in local planning processes.
- At national level we will create a citizen network by the end of 2015, to support people to engage purposefully in local planning processes. It will drive and inform continue involve as wide a range of people as possible in improving services. Citizens' panels or juries will be convened from 2016 to involve people in deliberating on national policy.

A Leadership Coalition, representing service users of all ages and professionals and chaired by a member of the public, will be established initially to guide the development of the three-level system, and will over time maintain momentum, evaluate impact and make recommendations for continual improvement.

HELPING CARERS

Around 759,000 adults and nearly 30,000 young people care for people. Over 170,000 carers look after a relative or friend for at least 35 hours every week. This is a significant contribution upon which our society depends. The Scotland Bill will transfer powers over social security benefits for disabled people with long-term health conditions and their carers.

The Carers Bill, which is currently being scrutinised by the Scottish Parliament, is an important part of our Government programme of health and social care reform. The Bill will extend the rights of carers, including young carers. The implementation of the Bill's provisions will make a meaningful difference to carers and will contribute towards the improvement of their health and wellbeing, ensuring that they can continue to care and to have a life alongside caring.

KINSHIP CARE

This Government remains focused on "getting it right for every child" and that includes making sure our most vulnerable children and families get the practical and financial support they need. From October 2015, eligible kinship care families (where family members or friends step in to care for children who can no longer live at home) will receive the same allowance from their local authority as foster carers. This shift will potentially benefit 5200 of Scotland's most vulnerable children in the first year alone. This year, work will also begin to explore and consider how to develop a national kinship care allowance so families can receive the same financial support no matter where they live in Scotland.



HEALTHIER LIVES

We are committed to improving the health of Scotland's people and tackling the very significant and serious inequalities in health that damage the life-chances and wellbeing of many people. Some of the significant developments will be as follows. We will expand the Link Workers programme, enabling GP practices to provide better services to patients in deprived areas. Alongside this, we will support a pilot to work with local people to allow them to draw on the assets and capacities of local communities, equipping them with the knowledge and confidence to develop the most relevant responses to that community's health issues.

The issue of teenage pregnancy and young parenting should rightly be seen in its widest context as being about improving the lives and opportunities of young people. In early 2016 we will deliver our commitment to the Scottish Parliament's Health and Sport Committee to publish plans to further reduce the rate of pregnancy amongst teenagers and provide better support for young parents. Although rates of teenage pregnancy in Scotland have been falling since 2007 (and are now at their lowest level since at least 1994) Scotland continues to have high levels of teenage pregnancy in comparison to other countries.

We will update the *Sexual Health and Blood-borne Virus Framework* that sets out the Scottish Government's policy on sexual health, HIV and viral hepatitis. The first Framework was published in 2011. Our new approach will set out plans for the next five years including a reduction in health inequalities amongst those infected with a blood-borne virus or poor sexual health, and reductions in stigma.

We will introduce a new meningitis B vaccination programme from September 2015 for infants. The programme will add meningitis B vaccination to the routine infant vaccination schedule, providing

additional protection against this potentially serious strain of meningitis. The Scottish Government has funded the costs of the vaccine and the NHS will meet the costs of administration of the vaccine by GPs.

The Health (Tobacco, Nicotine etc. and Care) (Scotland) Bill was introduced in June 2015 and is due to complete its passage through Parliament by March 2016. The Bill will implement a range of measures building on our tobacco control strategy: *Creating a Tobacco Free Generation*. Tobacco use remains the primary preventable cause of ill health and premature death in Scotland with costs to the health service estimated to exceed £300 million. The Government also supports the principles of Jim Hume's Member's Bill to ban smoking in cars which is currently being scrutinised in Parliament.

We will develop the next phase of our Alcohol Framework for commencement in early 2016 with a focus on reducing health inequalities. Average weekly alcohol consumption is far higher in Scotland's lowest income communities, where most harm is experienced. Those in the 10% most deprived areas are over eight times more likely to be admitted to hospital due to alcohol use than those in the most affluent communities. Further, alcohol-related mortality in the most deprived 10% of communities is over 7.5 times higher than in the most affluent areas of Scotland. The 41 measures in the existing strategy have contributed to deaths in Scotland falling faster than in the rest of the UK and maintaining that improvement in the face of economic recovery producing greater affordability is crucial.

We will update our *Preventing Overweight and Obesity Route Map* to allow us to identify new actions to adopt to help prevent obesity. There is now a clearer link developing between obesity and inequalities and the update will allow this to be highlighted and appropriate responses to be prioritised.

We will also improve the oral health of people in Scotland with a clear focus on reducing inequalities. By further reducing dental decay we will address the most common reason for admitting a child to hospital. We will transform the outdated and complex dental system to meet the needs of younger people who need to maintain a preventive focus whilst ensuring that the treatment needs of the older population are met. An eDental programme will improve the assurance, governance, efficiency and information on quality of services.

The Scottish Government recognises that access to voice equipment is vital to children and adults who find speaking difficult or are at risk of losing their voice. We will therefore bring forward an amendment to the Health Bill that is currently in Parliament to provide a right to voice equipment when required.

Additional health visitors will be put in place in order to deliver a universal service to all families. Health visitors have a significant public health role to play in relation to individuals, families and communities by providing critical support for all children under five. Following a review of the service, additional visits will be offered to provide enhanced support to families. This will include additional child health review points as an opportunity to work with parents to review a child's development.

IMPROVING CARE AT THE END OF LIFE

People have told us that they want to see more emphasis placed on care at the end of life. That is why we will publish a Palliative and End of Life Care Strategic Framework for Action by the end of 2015. This Framework, which is being co-produced with the NHS and the third sector, will enable everyone to identify the actions needed to deliver changes and improvements. These will ensure that everyone in Scotland no matter where they live and no matter what clinical condition(s) they have will receive high quality care from a health and social care system at the end of life that involves them and people who matter to them in the dialogue.

There is a stronger will in Scotland than ever before to ensure that access to high quality palliative and end-of-life care becomes a reality for everyone. The Scottish Government will support this through £0.5 million in start-up costs in 2015-16, along with £1 million each year in 2016-17, 2017-18 and 2018-19.

STRENGTHENING OUR COMMUNITIES



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Our ambition is for Scotland to be a country where every person, regardless of circumstances:

- Has the right to take part in debating and shaping the society that we live in and the decisions we take.
- Can influence the decisions that affect them and their families and can trust in the decisions the people they elect make on their behalf.
- Has opportunities and support to lead their own change, with others and on their own.
- Has a voice in their local community and be able to play their part in making it a sustainable and enjoyable place to live.

We believe that people in Scotland have the ideas, the energy and the talent that will make this a better country for everybody to live in. Our programme of Cabinet meetings and public discussions across Scotland gives people direct access to Scottish Government Ministers and a chance to share their views on the things that matter to them. The Fairer Scotland discussions, promoted by Scottish Ministers in June, seeks to hear from the widest range of voices possible about how to make Scotland a fairer, more equal society.

Community Empowerment

The Scottish Parliament passed the Community Empowerment Act in June giving new rights to communities to own land and buildings and our new £19.4 million Empowering Communities Fund has invested in hundreds of community-based organisations supporting thousands of people. Achievements include:

- Increased the People and Communities Fund by £5.6 million to a total £12.6 million in 2015-16 which is supporting 197 community-led projects in disadvantaged communities across Scotland.
- Additional investment in the Strengthening Communities Programme with which we are supporting 26 enterprising community groups to drive forward community-led regeneration in their areas. This comes on top of the £3 million which was allocated to around 50 projects in April 2014.
- Increased funding for the Community Ownership Support Service which helps groups and local authorities transfer buildings or land assets.

The Scottish Government sees Participatory Budgeting as an important resource to build on the wider development of participatory democracy in Scotland. Participatory Budgeting is recognised internationally as a way for local people to have a direct say in how, and where, public funds can be used to address local needs.

EMPOWERING COMMUNITIES FUND

We will continue our investment in the Empowering Communities Fund over the next three years. This will build on the good work already underway through the fund and allow us to invest in new opportunities identified by community groups themselves. We will also work with community groups over that period to support them to achieve greater sustainability and longer-term resilience.

PARTICIPATORY BUDGETING

Participatory Budgeting aims to reallocate public money locally and democratically to where it is needed most. When Participatory Budgeting is adopted its use can be very important in helping individuals feel connected to each other and to their communities. It can instill a sense of ownership, trust and connectivity.

The Community Empowerment (Scotland) Act 2015 includes a new power for Scottish Ministers to require Scottish public authorities to promote and facilitate the participation of members of the public in the decisions and activities of the authority, including in the use of participatory budgeting.

In 2015-16 the Scottish Government is funding participatory budgeting support for local authorities, a learning programme, developing innovative digital approaches and researching the impact of participatory budgeting on communities.

We want to ensure the momentum to increase participation and involvement in decision making is maintained. To make that happen we will work with local authorities to develop and pilot council-wide participatory budgeting processes. This will mean that local people will take more decisions about a larger proportion of available budgets.

EMPOWERING ISLANDS COMMUNITIES

In February 2015, the Minister for Transport and Islands, Derek Mackay re-convened the Island Areas Ministerial Working Group. The Group is due to meet six times by February 2016. Progress has already been made on delivering the commitments outlined in the 'Empowering Scotland's Island Communities' prospectus which was jointly agreed with the three Island Councils in June 2014.

Alongside this, we will launch a public consultation by the end of September which will look at what measures might be included in a future Islands Bill. This consultation will run for three months, with findings likely to be published early in the New Year to coincide with the conclusion of the Ministerial Working Group.

The third sector, including social and community enterprises, are an important part of strengthening communities and increasing participation. We are already investing over £24 million in the sector and will continue to support and invest in the sector and in social enterprise over the next three years.

Our islands are part of the rich and diverse fabric of this country and make a significant contribution to Scotland. The Scottish Government is committed to plans for more autonomy for our island communities, to make our islands stronger and to let them flourish.

Connecting our Communities

At the Transport Accessibility Summit on 24 March 2015, which brought together Transport Scotland, disabled peoples' organisations and transport providers, the Minister for Transport and Islands reaffirmed the Scottish Government's commitment that disabled people should enjoy the same rights, choices and opportunities to travel as everyone else. He also confirmed the Scottish Government's commitment to work to improve journeys for those disabled people who travel and encourage more disabled people to travel and live independent lives.

The Scottish Government and Transport Scotland are working with disabled people's organisations and transport providers to develop a national vision and action plan which will act as the catalyst for continued improvement of all journeys which will include and involve disabled people.

We will continue to work with local transport authorities, bus operators and organisations representing bus users to improve the functioning of the bus services. As part of this programme, we will introduce legislation and guidance in October 2015 to change the service registration process to improve better engagement about service changes between operators and local transport authorities. We will consult on further legislative changes to improve the powers available to local transport authorities to intervene in the market in late 2015 with a view to legislation after May 2016.

We will also review our financial support for bus services, including to encourage the take-up of greener, less-polluting buses and make progress on smart ticketing and integration. We intend to announce any changes early in 2016 for introduction during the course of 2016-17.

AFFORDABLE, SUSTAINABLE HOUSING

Our vision is that all people in Scotland live in high quality sustainable homes that they can afford and that meet their needs. We recognise the links between housing and a wide range of outcomes including social justice, health and the environment.

The housing sector in Scotland is continuing its recovery from the effects of the international financial downturn which impacted on both housing developers and would-be home buyers and increased pressures on living standards across households generally. UK Government decisions to curb public expenditure and reform aspects of the welfare system have added to challenges in the housing sector.

Against this challenging backdrop, the Scottish Government has invested significantly to support the recovery of new housing supply. This has been achieved through both our affordable housing supply programme, which is on track to surpass our 30,000 affordable homes target, and schemes such as Help to Buy (Scotland) and the Small Developers Scheme, which will support the purchase of over 7500 homes by March 2016. The Scottish Government also recognises the importance of bringing forward the land required to support an increasing supply of new homes. Reflecting our support for house building in Scotland, the rate of house building completions across all tenures in Scotland has remained significantly above that in England over the past 10 years.

ON TRACK TO MEET AND SURPASS OUR 30,000 AFFORDABLE HOUSING TARGET

The Scottish Government has pledged to deliver 30,000 affordable homes over the lifetime of this Parliament, including 20,000 social homes of which 5000 will be council homes. This 30,000 affordable homes target has been backed by planned investment of £1.7 billion.

By the end of March 2015, a total of 26,972 affordable homes had been delivered – 90% of the 30,000 target. This includes 18,670 homes for social rent – 93% of the 20,000 social rent target, and within that 4643 council homes – 93% of the 5000 council house target. This means we are on track to meet and surpass this key target over the lifetime of this Parliament.

We have continued to support households who have struggled to get a foot on the property ladder through our Help to Buy and shared-equity schemes, and to protect home-owners at risk of losing their homes due to financial distress through our Home Owners' Support Fund.

- £70 million has been allocated this year to the Open Market Shared Equity Scheme to help around 1700 households.
- Since May 2007, the Home Owners' Support Fund has assisted over 2150 families in Scotland to remain in their home who might otherwise have become homeless.
- Between 2007-08 and 2014-15, our shared equity schemes for first-time buyers have helped almost 10,000 people to buy a home.

The Scottish Government has a track record for pioneering initiatives in support of our housing ambitions, such as the National Housing Trust. This year we will forge ahead with further innovations, including a new Rural Housing Fund, a successor to our popular Help to Buy (Scotland) scheme and a potential successor to the National Housing Trust initiative.

We are maintaining Scotland's leadership in financial innovation and continuing to work creatively with our partners and use innovative ways to deliver more for less public investment. The contribution from financing approaches using government guarantees, loans, grant recycling and new sources of private funding is substantial and growing.

Almost 3000 new affordable homes have already been approved through these approaches, supplementing the homes being built through our conventional, grant-funded, Affordable Housing Supply Programme. These innovative mechanisms are unlocking around £400 million housing investment and supporting around 600 jobs in each year of construction. Hundreds more homes are in the pipeline.

The National Housing Trust initiative (NHT) – the first guarantee-based scheme for housing in the UK – was co-developed with the Scottish Futures Trust (SFT). NHT has already delivered 1000 affordable homes and is on track to deliver over 2000 homes for intermediate rent across the country. We are actively working with SFT on a new investment vehicle with the potential to be a successor to the NHT initiative.

RURAL HOUSING FUND

We recognise the unique issues associated with provision of housing in rural Scotland. We have listened to rural stakeholders and to help address these issues we will introduce a new rural housing fund. This fund will aim to increase the supply of affordable housing of all tenures in rural areas of Scotland.

Over the next three years, the fund will be available to community groups and rural landowners, enabling them, and other eligible applicants, to take a more active role in meeting the housing needs of their communities. The fund will have two components, the main one offering funding to enable the direct provision of new affordable housing and upgrading of empty properties and a second smaller component providing a contribution to feasibility studies.

HELP TO BUY

We will support homebuyers across Scotland through a successor to our popular Help to Buy (Scotland) scheme, with a renewed focus on support for affordable home ownership. We plan to commit £195 million over the next three years to support at least another 6500 households to buy a new-build home that meets their needs and that they can afford. Help to Buy relies on funding flowing through the Barnett mechanism so we will set out more detail on the scheme's arrangements following the publication of the UK Spending Review in November.

In addition to seeking to boost housing supply, we have also been taking measures to improve the experience of tenants in both social and private sector rented housing. This includes ongoing work through the 2014 Housing Act to regulate the letting agent industry, including consulting on a draft Code of Practice for the industry and providing local authorities with the additional powers that they need to improve standards in the private rented sector. Over the coming year, through the Private Tenancies Bill, we plan to go further in ensuring that private tenants in Scotland

live in a thriving sector, with increased security in their homes.

We will continue to promote action to reduce and address homelessness. We also recognise the contribution that housing can make to the health and wellbeing of everyone in Scotland and the particular challenges that arise from an ageing population. This year, for example, we will be piloting our innovative Help to Adapt scheme, which provides equity finance for home-owners so that they can make the adaptations they need to remain living comfortably within their own homes.

PLANNING SYSTEM AND HOUSING

We will review the operation of the planning system in Scotland, identifying the scope for further reform with a focus on delivering a quicker, more accessible and efficient planning process, in particular increasing delivery of high quality housing developments. Our aims are to:

- Ensure that planning realises its full potential, unlocking land and sites, supporting more quality housing across all tenures and delivering the infrastructure required to support development.
- Streamline, simplify and improve current systems and remove unnecessary blockages in the decision-making process.
- Ensure that communities are more engaged in the process.
- Continue to meet our statutory and international obligations in protecting and enhancing Scotland's nature and environment.

PRIVATE TENANCIES BILL

The Private Tenancies Bill will increase security of tenure for tenants while providing appropriate safeguards for landlords, lenders and investors. This is part of the Scottish Government's broader approach to reforming the private rented sector to make it a more professionally managed and better regulated sector, that provides good quality homes, and is attractive to those who want to live, work and invest in it.

Specifically, the Bill will:

- Introduce a Scottish Private Rented Tenancy to replace the current Assured system.
- Remove the 'no-fault' ground for repossession, meaning a landlord can no longer ask a tenant to leave simply because the fixed-term has ended.
- Provide comprehensive and robust grounds for repossession that will allow landlords to regain possession in specified circumstances.
- Provide more predictable rents and protection for tenants against excessive rent increases, including the ability to introduce local rent controls for rent pressure areas.
- Create a more streamlined, clearer to understand tenancy system that is fit for the modern private rented sector.

OUR POWER

Our Power is a new, fully licensed, independent energy supply company, the first in the UK operating as a Community Benefit Society. It plans to sell heat and power to tenants in 200,000 homes across Scotland by 2020. Our Power has been founded by 35 member organisations including housing associations and local authorities. The company will enter the market at the end of 2015 as an Ofgem licensed supplier of gas and electricity to provide lower-cost energy to the tenants and communities of its member organisations. It expects to save its members up to 10% on their household utility bills compared to standard commercial tariffs. Our Power is backed by £2.5 million from the Scottish Government and another £1 million from Social Investment Scotland, both in the form of repayable loans. In the future, Our Power hopes to develop renewable energy projects as part of its business for the benefit of local communities.

We have continued our efforts to curb the increase in fuel poverty driven by energy price increases over the past decade. We have increased our investment in measures to improve the energy efficiency of Scotland's homes which, in addition to making fuel bills cheaper, has also helped to reduce greenhouse gas emissions from housing, consistent with our ambitions to combat climate change.

Since 2009 we have allocated over £500 million on a range of fuel poverty and energy efficiency programmes, installing more than 900,000 energy efficiency measures in homes across Scotland – nearly one in three of all households have received energy efficiency measures. Our efforts are paying off. The energy efficiency of our housing stock has improved significantly since 2007 – over a third of all Scottish homes are now Energy Performance Certificate Band C or better, an increase of 56% since 2010 and proportionately 60% more homes than in England.

Over the next year we will go further in our efforts to eradicate fuel poverty and to deliver against our ambitious climate change targets. In particular, we are establishing a new Rural Fuel Poverty Task Force to help tackle fuel poverty in remote rural and island communities. We have supported the creation of Our Power to bear down on the energy prices paid by social tenants. We have also recently announced that improving the energy efficiency of our buildings will be a National Infrastructure Priority.

LAND REFORM

Using Scotland's land strategically and sustainably will allow us to maximise its contribution to a more prosperous and successful nation. Increasing communities connection to the land and their involvement in decisions around land makes for better, fairer decisions and can help tackle inequalities.

Crown Estate

We will seek to ensure that the Scotland Bill devolves effective control of the management and revenue of the Crown Estate in Scotland.

Following the enactment of new devolved powers a new framework for the Crown Estate should be made in Scotland by the Scottish Parliament, with an opportunity for local authorities and other stakeholders to help design that framework. Our communities will benefit directly from devolution of the Crown Estate – we have already committed to ensuring coastal and island communities benefit from the net revenue from Crown Estate property in Scotland from marine activities out to 12 nautical miles.

PROGRESS ON THE LAND REFORM BILL

The Land Reform Bill was introduced in June 2015. It follows a public consultation and takes forward a number of recommendations from the report of the Agricultural Holdings Legislation Review Group which reported in January 2015.

The Bill is the next step in Scottish Government's programme of ambitious land reform and contains provisions that aim to:

- Ensure an effective system of land governance and ongoing commitment to land reform in Scotland.
- Enhance sustainable development in relation to land and improve the transparency and accountability of land ownership.
- Demonstrate commitment to manage land and rights in land for the common good, through modernising and improving specific aspects of land ownership and rights over land.

LOCAL GOVERNMENT

The roles and responsibilities of the Scottish Parliament and Scottish Government have evolved significantly in the 16 years since devolution and are set to do so further. The relationship between Scottish Government and local government and health boards has also evolved, most recently with the establishment of integrated joint boards for health and social care. In this changing landscape it is now the time to consider how best to enable people and communities to shape the decisions which affect them.

The Scottish Government has worked with our local government partners to ensure that the council tax has been frozen since 2008-09. We have fully funded the freeze by providing an extra £70 million each year within the annual local government finance

settlements. All of Scotland's council tax payers have benefited from the council tax freeze providing much needed financial relief particularly to vulnerable groups, including pensioners.

We have also worked with our local government partners to provide an extra £40 million for each financial year to fill the 10% funding gap imposed by the UK Government budget transfer for Council Tax Benefit successor arrangements. This has ensured that we have a national Council Tax Reductions scheme in place that protects over half-a-million vulnerable recipients in Scotland. In addition, the Community Charge Debt Act abolished community charge debts. It ensured that arrears of community charge could no longer be pursued where collection had not already been prescribed, and ended ongoing repayment arrangements.

COMMISSION TO EXAMINE ALTERNATIVES TO THE COUNCIL TAX

The Commission on Local Tax Reform was established by the Scottish Government and the Convention of Scottish Local Authorities (COSLA) in February 2015, fulfilling the commitment in the 2014-15 Programme for Government. Its remit is to consider council tax reform and replacement options.

Co-chaired by Marco Biagi, Minister for Local Government and Community Empowerment, and Councillor David O'Neill, President of COSLA, the Commission has cross-party and non-party membership. The Commission is due to report in the Autumn.

RENEWING DEMOCRACY

We aspire to continue to be the most accessible Government that Scotland has ever had. We believe that Ministers should be accessible to the people, open about performance and accountable for results. In 2015-16 we will:

- Continue our programme of holding Cabinet meetings across Scotland, giving people the chance to discuss and debate issues of importance to them with members of the Cabinet.
- Implement the provisions of the Community Empowerment Act 2015 that put Scotland's National Performance Framework on a statutory basis, placing duties on Ministers to consult on, publish and report on the outcomes and performance. Introduced in 2007, the Framework sets out objectives that define what a successful Scotland should look like and performance measures on which we report continuously through the 'Scotland Performs' website and through annual 'scorecards' which support parliamentary committee scrutiny of government and public bodies.
- Make statistics accessible as part of a wider approach of the whole public sector as set out in our *Open Data Strategy*, published in February 2015. We will make our data accessible to a wide range of users, from the lay-person to the public sector analysts to the entrepreneurial web developer in order.

We will also:

- Develop participatory budgeting to involve people and communities in decisions on spending on public services.
- Back local organisations to involve communities in leading change on their own terms by continuing our new Empowering Communities Fund.
- Take forward legislation to extend Freedom of Information duties to bodies such as contractors who run privately-managed prisons; providers of secure accommodation for children; grant-aided schools; and independent special schools following the outcome of our consultation.
- Bring forward a Lobbying Bill to further improve the public transparency of elected representatives' activity.

Elections

Scotland is leading the way in the UK in involving young people in the democratic process. Letting 16 and 17 year olds vote in the referendum was controversial, but the maturity which they displayed amply demonstrated that it was the right thing to do. The Scottish Government believes that young people should be able to vote in all elections and pressed successfully for powers over the franchise to be devolved as part of the Smith Commission process. In June 2015 our proposals to extend the vote to 16- and 17-year-old voters in the forthcoming Scottish Parliament and local elections in 2016 and 2017 were passed by the Parliament with all-party support.

LOBBYING BILL

The Lobbying Bill will further improve the public awareness of lobbying activity directed at MSPs and Ministers. The Bill will take account of the findings of the recent inquiry by the Scottish Parliament's Standards, Procedures and Public Appointments Committee into lobbying in Scotland and will introduce a measured and proportionate register of lobbying activity.

SCOTTISH ELECTIONS (DATES) BILL

This Bill will ensure that the Scottish Parliament elections following the May 2016 elections will not coincide with the next scheduled UK General Election in May 2020. This Bill will be introduced to the Scottish Parliament once an order under the Scotland Act (1998) has been approved by the Westminster and Scottish Parliaments to devolve the necessary legislative competence. Specifically, the Bill will propose a five-year term for the next Scottish Parliament, which is the same as for the Scottish Parliament elected in 2011. If passed, this would move the election scheduled in May 2020 to May 2021.

The Government will also take forward legislation to ensure that the Scottish Parliament elections following the May 2016 elections will not coincide with the next scheduled UK General Election in May 2020.

AGRICULTURE AND FISHING

Scotland has a vibrant agriculture and rural sector that the Scottish Government aims to support. We encourage the growth of good agri-business while still enjoying and protecting our natural environment. The Scotland Rural Development Programme 2014-2020 will provide applied funding support for farming, forestry, crofting and rural development projects.

The Scottish Government recognises the wider benefits of organic farming, such as encouraging biodiversity, tackling climate change, improving soils and protecting our water environment. We continue to support organic production with funding from the organic farming conversion and maintenance schemes under the new Scottish Rural Development Programme. Working with the industry-led Scottish Organic Forum, the Scottish Government will launch a new Scottish Organic Action Plan early in 2016.

The Scottish Government is working with stakeholders to implement new EU Common Agricultural Policy (CAP) requirements in

Scotland, to tailor European rules to Scottish circumstances and ensure that the CAP contributes to Scotland's ambitious climate change targets. We will implement the new CAP in Scotland between 2015 and 2020, including various Direct Payments and the Scottish Development Programme, and have successfully opened the new CAP schemes for applications from Spring 2015.

During 2015, we will commence issuing new contracts under the schemes within the Scottish Rural Development Programme (SRDP), to deliver our key priorities of sustainable economic growth, protecting the environment, tackling climate change and supporting vibrant rural communities. The SRDP includes schemes such as the Forestry Grant Scheme, Agri-Environment Climate Scheme, Food and Drink sector support and LEADER. The Programme will deliver over £1.2 billion, to support rural communities across Scotland from 2014 to 2020.

Through Direct Payments, we plan to make payments to up to 21,000 farmers and crofters as early as possible in the payment window (1 December, 2015 to 30 June, 2016). Over the period from 2015 to 2020, the new support measures will inject £2.2 billion into Scotland's agricultural sector.

Growing your own food, including on an allotment or community growing space, is an important part of Scotland's aim to become a Good Food Nation. For that reason we included in the Community Empowerment (Scotland) Act provisions which bring allotments legislation up-to-date and enables communities to take over assets and buy land for Grow Your Own food initiatives.

Work on 'the future of Scottish Agriculture' vision will continue with a National Discussion taking place in the second half of 2015. A summary document setting out the immediate and longer-term actions needed to deliver the nine outcomes will be produced around the end of the year.

Earlier this year, the Crofting Legislation Stakeholder Group provided recommendations to the Scottish Government on changes to crofting law following submission of the Final Report on the Crofting Law Sump. Crofting stakeholders are also continuing work to develop a coherent, long-term vision for crofting in Scotland. The Scottish Government will engage with stakeholders and with crofters to help determine what further changes might require to be made to the crofting legislative framework.

The Scottish Government takes a precautionary approach to GM technology and is opposed to the cultivation of GM crops in Scotland. We feel that growing GM crops could threaten our reputation for producing high quality and natural foods and damage Scotland's image as a land of food and drink. That is why we took the decision to utilise new EU rules which allow us to opt out of growing EU approved GM crops on a case-by-case basis. This decision will not affect research as it is currently carried out in Scotland where the contained use of GM plants is permitted for scientific purposes in, for example, laboratories or sealed glasshouse facilities.

We will continue to support the Scottish sea fishing fleet as it harvests our fish stocks sustainably, adding important and positive economic activity in coastal and

island communities. In 2016, we will work closely with fishermen as they adapt fishing practices to conform to the new landing obligation, which is being implemented as part of the reformed Common Fisheries Policy.

We also published our response to the independent *Wild Fisheries Review* in May 2015, confirming the Scottish Government's commitment to reforming the management of wild fisheries so that we have a system that is able to respond fully to all of the requirements we face in the 21st century. We have consulted on the major principles that were set out by the Wild Fisheries Review and are now considering the detail of how best to take the reforms forward. We are continuing to work with fisheries stakeholders and intend to consult again publicly, on draft provisions for a Wild Fisheries Bill, before the end of the parliamentary session.

Our Natural Environment

Many of our habitats and wildlife are internationally important and Scotland's well-deserved reputation for its landscape draws tourists from around the world, supporting businesses across the country. By protecting and improving Scotland's environment, we are ensuring that communities, nature and our economy flourish together.

Scotland has led the way in legislation to protect wildlife and to safeguard animal welfare. We plan to enable greater Parliamentary scrutiny of the operation of the Protection of Wild Mammals (Scotland) Act 2002 by including a section on that Act in the Wildlife Crime Annual Report that is laid before the Scottish Parliament. We will also review the Act to ensure that it is providing the necessary level of protection for foxes and other wild mammals, while at the same time allowing effective and humane control of these animals where necessary. Should the review conclude that changes to the legislation are required we will aim to consult and bring forward new legislation after May 2016.

FISHERIES MANAGEMENT SYSTEM

The Scottish Government published *Wild Fisheries Reform: a Response to the Report of the Wild Fisheries Review* in May 2015. In this document, we:

- Confirmed the Scottish Government's commitment to reforming management of wild fisheries and working with all interested parties to deliver reform.
- Set out the fundamental principles that will guide development of the new system, and sought the views of stakeholders and the wider public.
- Announced the development of a new national wild fisheries strategy.

Much of the law which underpins Scotland's current wild fisheries management system dates back to the 19th century. Many parts of it have served Scotland well for a long time, but in some important aspects it is no longer in step with what we require to ensure we have a management system fit for purpose in the 21st century – for example much of the current law predates important international conservation requirements, such as those in the European Habitats Directive. Any new management system needs to fully reflect these modern international standards.

In considering the changes we need, we have been clear that we must not lose the best elements of the existing system, including the many benefits that come from strong local management of rivers and fisheries.

Doing this successfully will not only ensure that we are better able to protect this valuable natural resource, but also that we are better able to realise the economic and social benefits that fishing and related activity can provide to local communities and the country as a whole.

Our National Forest Estate covers approximately 9% of the land area of Scotland and provides significant economic, social and environmental benefits. Recent investments in a wide range of recreational routes and visitor facilities have helped stimulate tourism growth while creating opportunities for more people to enjoy a healthier lifestyle. This includes:

- £2.3 million investment since 2011 to Scotland's Great Trails (Great Glen Way, West Highland Way and John Muir Way); and
- £15.5 million investment in visitor centres in Galloway, Scottish Borders, The Trossachs and Highland Perthshire.

Scotland's two National Parks are models for sustainable development, combining conservation of the environment with promotion of outdoor recreation activity,

community development and tourism growth. Loch Lomond and The Trossachs National Park recently invested £1.5 million in new waterfront visitor facilities at Loch Lubnaig and Loch Venachar, while Cairngorms National Park opened the new £420,000 Laggan Wolftrax Mountain Bike Centre. The Parks will consult on their third Park Partnership Plans during 2016, which will strengthen their place as two of Scotland's outstanding outdoor destinations and encourage more of Scotland's people to visit the Parks and get active in the outdoors.

In the central belt, the Central Scotland Green Network is Europe's largest green space project and uses environmental measures to tackle inequality and support communities to improve their environment and their daily lives. Over £5 million has been awarded to 150 early delivery projects since 2010 through the CSGN Development Fund.

Regular review of the Scottish Government's Land Use Strategy (LUS) is a statutory requirement of the Climate Change (Scotland) Act 2009. The Strategy sets out a high-level, long-term agenda for the wellbeing and future needs of Scotland's land and people in response to the challenges of the 21st century. It is currently being reviewed and a refreshed Strategy will be published no later than March 2016.

The Scottish Government started charging for carrier bags in October 2014 to reduce bag use and cut litter. In the first six months, this has reduced carrier bag use by around 80%, and four of the biggest retailers have between them donated over £1 million to good causes.

We will continue to improve the state of nature in Scotland by delivering Scotland's Biodiversity – a Route Map to 2020. Published in June 2015, it sets out priority projects which we and partners across the public, private and third sectors are taking forward to help deliver our Biodiversity Strategy and meet the international Aichi biodiversity targets.

Protecting Scotland's Environment

Environmental protection is essential to supporting quality of life, health and community wellbeing. In 2015-16 we will deliver Scotland's first ever Low Emissions Strategy, further supporting action to address air quality and supporting amongst other benefits the health of communities as well as individuals with wider health conditions.

With the Scottish Environment Protection Agency (SEPA) we will publish Scotland's 2nd River Basin Management Plans and first ever Flood Risk Management Strategies. Together these will help maximise the benefits of Scotland's valuable water environment resource and reduce flood risk across Scotland.

We will also continue to implement the Better Environmental Regulation programme with SEPA. In particular we will increase the enforcement tools available to SEPA allowing more effective, proportionate and consistent engagement with the regulated. This is aimed at supporting early engagement to avoid significant compliance issues emerging in the first place and tackling poor performance and environmental crime.

CULTURE AND SPORT

Engaging with culture and our historic environment is life-enhancing in its own right, but participation in cultural activities is also known to deliver positive outcomes across a range of areas, including health and wellbeing, justice and education, thereby making a significant contribution to the delivery of Scottish Government strategic priorities.

The evaluation of the *Glasgow 2014 Culture Programme*, published in June 2015, demonstrated the outstanding success of the most ambitious cultural celebration that has ever taken place in Scotland, with more than 2.1 million engaging in more than 1200 cultural events taking place across the country. *The Culture Programme* engaged people and communities across Scotland, as well as attracting large numbers of international visitors.

We will continue to build on the legacy of 2014, to ensure that our cultural and historic life continues to flourish, and to widen access and participation so that all Scotland's people and communities can benefit. Figures from the Scottish Household Survey 2013 show that 33% of people in Scotland's most deprived areas were more likely to agree that culture and the arts are 'not really for people like me' compared to 16% in the least deprived areas, highlighting the need to focus our efforts on widening access.

In July 2015 the Forth Bridge became Scotland's sixth UNESCO World Heritage Site, the culmination of a huge amount of work by many partners. The accolade is recognition both of Scotland's innovative industry and engineering as well as the success of Scotland's continuing commitment and innovative approach to protecting and promoting our diverse historic environment.

In 2015-16, our priorities include:

- Establishing a new public body – Historic Environment Scotland (HES) – which will integrate the functions of Historic Scotland and the Royal Commission for Ancient and Historic Monuments and be fully operational from October 2015. HES will play a key role in ensuring that Scotland's historic environment is understood and valued, cared for and protected, enjoyed and enhanced.
- Continuing to deliver the priorities set out in the Historic Environment Strategy, *Our Place In Time* including, for example, supporting education; and delivering the Engine Shed, an ambitious and innovative project to create Scotland's first centre dedicated to building conservation providing a hub for training and skills to a wide audience.
- Challenging our national collections and performing companies to build on their existing audience engagement to find new ways of reaching different audiences, particularly young people from disadvantaged communities.
- Continuing to invest in the cultural infrastructure following the completion of new audience and performing facilities at Glasgow's Theatre Royal and Royal Concert Hall. We are investing in the ongoing construction of the V&A Dundee as part of the city's waterfront regeneration.
- Seeking to influence the new BBC Charter. The Scottish Government's role in the future of the BBC has been guaranteed in a Memorandum of Understanding (MoU) between the Scottish Government, the UK Government, Scottish Parliament and the BBC. The agreement includes a commitment that the UK Government will consult with the Scottish Government throughout the process of the BBC's Charter Renewal which is underway. The MoU puts into practice the Smith Commission Agreement on the BBC and provides the Scottish Government with an opportunity to influence the Charter in order to ensure that the BBC delivers better outcomes that reflect the needs and diversity of our communities and better supports the development, production and delivery of content from across Scotland.
- Supporting Time to Shine, our National Youth Arts Strategy launched in 2013. One of its aims is to widen access and broaden participation, for example within minority groups and those from areas of deprivation.
- Implementing the recommendation in the Libraries Strategy that all libraries should be Wi-Fi enabled.

CREATIVE INDUSTRIES

We will continue to work on a package of support for the screen sector to underpin the future success of film and television across Scotland. In addition to the work to develop additional screen studio infrastructure in Scotland, we are considering the case for additional funding and incentives to increase film and TV production in Scotland and also announced the creation of a Film Industry Leadership Group in May 2015.

The Film Industry Leadership Group will be chaired by Creative Scotland and will address a need for more formal engagement with the industry with the aim of responding better to the industry's needs. For the wider Creative Industries, we will develop greater opportunities for direct engagement between the Scottish Government, its public sector bodies and the industries. This will be to inform a single, overarching sense of purpose that the public sector and the creative industries subscribes to and which will more effectively coordinate public sector investment and support for Scotland's creative industries - enabling them to innovate, grow and fulfil their economic potential.

We are working with our partners at Scottish Enterprise and Creative Scotland (who together form the Film Studio Delivery Group) to develop additional screen studio infrastructure in Scotland. In order to support the sector further, we are also considering the case for additional funding and incentives to increase film and TV production in Scotland and have announced the creation of a Film Industry Leadership Group in May 2015.



Sport

To ensure that the benefits of the Commonwealth Games will be felt for many years to come in Glasgow and across Scotland we will support the 60 national legacy programmes with a £1.6 million investment to transform places, deliver economic return and changes lives.

Following from the great success of the 2014 Ryder Cup and demonstrating our commitment to golf and to promoting the women's game in particular, our bid to stage the 2019 Solheim Cup highlights Scotland's credentials as a world-class international events destination and the 'Home of Golf'. Following a successful bid we will work to maximise the economic, social, cultural and reputational benefits that staging this major event offers.

We continue to seek new opportunities to demonstrate our experience and commitment to delivering highly successful major sporting events and have already secured the exciting inaugural European Sports Championships in 2018, to be co-hosted with Berlin, as well as having Hampden selected as one of 13 hosts for the 60th Anniversary UEFA European Football Championships in 2020 (EURO 2020). Each of these will help build on previous successes and deliver their own individual legacy and benefits.

We will consult on the range of options to enhance the rights of football supporters. The consultation will seek views on the right to buy, bid, govern, or be involved in the running or ownership of their clubs.

sportscotland will invest almost £67 million in Scottish Government funding and £29 million of National Lottery funding to build a world-class sporting system for Scotland. In addition, by the end of 2015-16 we will have invested £31 million in the National Performance Centre in Riccarton and the National Para-Sports Centre at Inverclyde.

We will invest up to £50 million through **sportscotland** in Active Schools over the years 2015-19 to develop the opportunities for children and young people to participate in sport and physical activity. During 2013-14, school pupils across Scotland made 5.8 million visits to Active Schools sessions, a 30% increase since 2011-12. The number of individuals, mainly volunteers, involved in delivering Active Schools increased by 21% during the same period.

In performance sport, Scotland achieved a series of best ever outcomes, including the best ever performance by Team Scotland at Commonwealth Games. Sochi 2014 was the most successful Winter Games for Team GB and Paralympics GB since 1924, with three medals from performance programmes managed by the **sportscotland** Institute of Sport, in partnership with British Curling and UK Sport.

Building on the momentum from Glasgow and Sochi:

- over £45 million of Scottish Government and Lottery funding will be invested in the 17 Glasgow Games sports and winter disciplines over the next four years - rise of 7% or £3 million; and
- we will invest in sporting facilities for communities. The Legacy 2014 Active Places Fund has provided £10 million funding to 188 projects across all 32 Scotland's local authorities.

THE SCOTTISH GOVERNMENT'S LEGISLATIVE PROGRAMME



Bills for Introduction in 2015-16

- Abusive Behaviour and Sexual Harm Bill
- Bankruptcy Consolidation Bill
- Budget Bill
- Burial and Cremation Bill
- Lobbying Bill
- Private Tenancies Bill
- Scottish Fiscal Commission Bill
- Scottish Elections (Dates) Bill

Bills Already Announced and Progressing through Parliament in 2015-16

- Human Trafficking and Exploitation Bill
- Carers Bill
- Inquiries into Fatal Accidents and Sudden Deaths etc. Bill
- Harbours Bill
- Community Justice Bill
- Education Bill
- Health (Tobacco, Nicotine etc. and Care) Bill
- Land Reform Bill
- Succession Bill
- Higher Education Governance Bill
- Criminal Justice Bill

Bills passed since the 2014 Programme for Government

- Scottish Elections (Reduction of Voting Age) Bill
- Food Bill
- Mental Health Bill
- Community Empowerment Bill
- Welfare Funds Bill
- Legal Writings (Counterparts and Delivery) Bill
- Air Weapons and Licensing Bill
- Prisoners (Control of Release) Bill
- Budget Bill
- Community Charge Debt Bill

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**The Scottish
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