

One Scotland

**THE GOVERNMENT'S PROGRAMME
FOR SCOTLAND 2014-15**

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Foreword

by the First Minister



This Government has a strong record of delivering for Scotland: we have boosted economic growth and job creation, relieved students of the burden of tuition fees, protected our NHS, mitigated, as far as possible, the impact of welfare cuts, helped to reduce crime and the fear of crime, expanded childcare provision, maintained capital investment in essential infrastructure and protected the environment. These are just some of the issues that matter most to people in Scotland.

Our ambition for radical reform remains undiminished and this Programme for Government for the next year sets out the policies and legislation that will build upon all that we have achieved so far and establish a springboard to the future. It does so against a backdrop of the austerity programme being followed by the UK Government. While we only have limited powers to complete the job we will use all those we do have wisely and effectively.

Since 2007 our central purpose has been on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. That purpose remains central. A strong, vibrant and diverse economy is essential to our national prosperity and helps to create the wealth needed to support high quality public services, such as our commitment to increase the NHS revenue budget in real terms for the remainder of this Parliament and beyond.

Economic output has recovered to surpass pre-recession levels. The number of people in employment reached record levels in 2014. Scottish businesses, large and small, are to be commended for their entrepreneurial spirit and innovation. They can be assured that there will be no reduction in our efforts to support business and enterprise.

In particular, over the next year we will introduce measures to support Small and Medium Enterprises, for example by providing £30 million of ring-fenced support for smaller developers within Help to Buy Scotland. We will also continue our support for the Small Business Bonus scheme for the remainder of this Parliament and beyond. We will introduce a new Scottish Business Pledge setting out what is expected of businesses in return for receiving support from the Scottish Government and its agencies.

Continuing to provide the environment that allows our businesses and entrepreneurs to succeed and make Scotland an attractive destination for investment is a key goal for this Government. These actions will lead to greater national prosperity. But the wellbeing of the nation depends on everyone being able to have a share in that prosperity.

Having record levels of people in work is great news. However, we all need to do more, especially for young people, and therefore we are setting a new target of 30,000 new Modern Apprenticeships every year by 2020, having already exceeded our existing target of creating 25,000 per year.

We also need to make sure that those in work get fairly rewarded. We are the first and only Government in the UK to commit to paying the Living Wage to our staff and to those in the NHS and will go further by ensuring that the staff of contractors working in our buildings will also get the Living Wage and that the Living Wage will be a key priority in all future contracts. We will take a range of measures to further promote the Living Wage across the private sector, including providing an additional £200,000 to the Poverty Alliance for work in this area. With this funding, we are setting a target to more than double the number of organisations signed up to the Living Wage Accreditation Scheme from 70 to at least 150 by the end of 2015. There is a clear economic and social rationale for this. A thriving economy depends on well-motivated, better paid workers. Our strong support for business and our measures to reduce inequality go hand in hand. Our society will be all the fairer and more successful when we end the blight of low pay.

One of the best ways that we can help people to help themselves is through giving them access to the best possible education. Our programme of reforms is helping to improve attainment in schools but there is much more to be done. Education Scotland, our national improvement and inspection agency for Education, will appoint an Attainment Advisor for each Local Authority, who will reach into every learning community in Scotland to build capacity in our schools.

Our commitment to free university education tuition remains. In addition, we want to see an increase in the number of Scots from disadvantaged backgrounds accessing higher education. A child born today in one of our most deprived communities should have no lesser chance of entering higher education than a child born in one of our least deprived. We want every child – whatever their background – to have an equal chance of attending university. Right now, those from the poorest backgrounds are significantly under-represented amongst university entrants.

We recognise this is a complex issue to address and we will therefore set up a Commission on Widening Access to advise us on critical steps and milestones. Although the primary focus is on improved access and qualification outcomes in higher education, the entire education system has a role to play and will be challenged to respond, not least by closing the attainment gap in schools. In immediate support of that response, we will double the funding available for local widening access initiatives through the Scottish Funding Council's Impact for Access Fund.

The earlier we start the better. In the coming year we will support the provision of 600 hours of childcare to over 120,000 3 and 4 year olds and eligible 2 year olds. In the years ahead we want to build upon that to almost double the number of free hours to 30 hours a week of free childcare by the end of the next Parliament, and we will begin to plan for this expansion immediately. Our plans are also well advanced so that from January 2015 children in Primaries 1 to 3 will be eligible for a free school meal – up to 165,000 children guaranteed at least one nourishing meal a day, benefiting health and wellbeing and attainment.

These are the kinds of practical steps we are taking to reduce intergenerational poverty. Scotland is estimated to have the 14th highest level of output per head in the OECD. As a wealthy nation we have the resources to end the disgrace of children being born into poverty and never escaping from it. But this will need the combined focus, commitment and expertise from national and local government, as well as every public body, and from Scottish businesses and the third sector. But most of all it will need us to find new and better ways to engage with the communities and people in the deepest need. We should not pretend that we have all the answers. We don't. We want to support locally based groups across the country to be able to improve the economic, social and environmental lives of their communities. We are therefore committed to increasing the investment in direct community funding by an additional £10 million in 2015-16, so that even more communities are able to take advantage of the new powers in the Community Empowerment Bill and make a difference in tackling inequalities on their own terms.

We need to make sure we hear and understand people's views on what will make the most difference to their lives. That kind of direct, open and accessible engagement will define the Government that I lead.

All our public bodies and agencies need to respond to this agenda too. Our public service reform agenda has been focused on putting people at the centre of public service design and delivery. Our reforms to policing and to fire and rescue are examples of how we can unlock benefits in the form of more cost effective and better services for the public. Our next big phase of reform will be the integration of health and social care. The planned changes are designed to provide seamless care to adults, often in their later years, who move between the health service and local authority care. In these reforms more than any other it will be vital that the needs of the individual are paramount in the way our Health Boards and local authorities take the new arrangements forward.

We already have firm plans to hand decisions over key issues to communities. The Community Empowerment Bill will give community bodies the chance to take ownership of land and buildings and will strengthen the voice of the community in the decisions that matter to them.

In addition, we will bring forward a Land Reform Bill to drive radical and effective land reform. This will include new powers for Scottish Ministers to intervene where the scale of land ownership and management decisions are a barrier to local sustainable development. We will end the business rates exemption given to shooting and deerstalking on sporting estates. We will establish a Land Reform Commission that will enhance the national debate about the use of land and hold governments, now and in the future, to account for their land use policies. We will also ensure that charity trustees have to consider the impact on local communities of decisions on the management and use of land under their control. In addition to the Bill, other commitments will include a substantial increase in the Scottish Land Fund for the period 2016-20 and a commitment to developing dedicated resource within Government to facilitate community land ownership across the whole of Scotland. Our aim is clear. The land of Scotland should be an asset that benefits the many not the few.

I am also determined to tackle all forms of inequality. As the first female First Minister of our country I want to see a step-change in gender equality. The Scottish Government has repeatedly made the case for the Scottish Parliament to have the necessary powers to pass legislation in this area. Until that time we plan to take a number of actions including challenging all organisations to set a voluntary target for gender balance on their boards of 50:50 by 2020. We will legislate on this issue as soon as we have the powers to do so. The new Cabinet is leading by example with 50:50 gender balance.

We will also continue to support our vital public services. We will continue to protect the revenue budget of the NHS and invest additional resources to tackle delayed discharges. We will also legislate to give the Healthcare Environment Inspectorate the powers to order closure of a hospital ward on the grounds of patient safety. This will implement one of the recommendations of the Vale of Leven public inquiry report.

I am also determined that we should continue to show zero tolerance to domestic abuse. In 2015 we will bring together leading experts to review the evidence and we undertake to identify new measures that we can adopt. We will consult on changes to the law to create a specific criminal offence of committing domestic abuse. We will also begin work on the creation of a specific offence relating to so called 'revenge porn'. These measures will send the clearest possible signal that this kind of abuse has no place in Scotland.

We should pause to reflect that 2014 has been a remarkable year for Scotland on the global stage. In addition to the many other festivals and events that take place the length and breadth of Scotland every year, we had the magnificent trio of the Commonwealth Games, The Ryder Cup and the European Music Awards. Each was a triumph of organisation, creativity and teamwork. At all of these we welcomed visitors from across the world who left with memories of the warmest of Scottish welcomes. We are committed to making the most of this legacy.

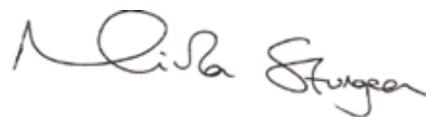
The referendum itself was also acclaimed internationally for the high standard of democratic debate and engagement. It has resulted in the people of Scotland now being more engaged and committed to seeing our country change and grow than at any time. All of us have a duty to harness and encourage that sense of democratic participation – as First Minister I intend to lead by example. The Government I lead will be the most open and accessible Scotland has ever had.

One of the most enduring memories of the referendum was seeing the contribution that our young voters made to the debate. I think everyone in our country was struck by the enthusiasm and passion which we tapped into by extending the vote to 16 and 17 year olds. No one can seriously doubt any longer the wisdom of giving our young people a voice in every election. I therefore pledge that if the necessary powers are transferred to the Scottish Parliament in time that this Government will bring forward legislation to allow 16 and 17 year olds to vote in the 2016 Scottish election.

This Programme for Government sets out a call for a common national endeavour. It speaks to the values that we in Scotland all hold dear. The values of enterprise and innovation. A deep and historic belief in the value of education. The value we place in the strength of our communities and giving a helping hand to those in need.

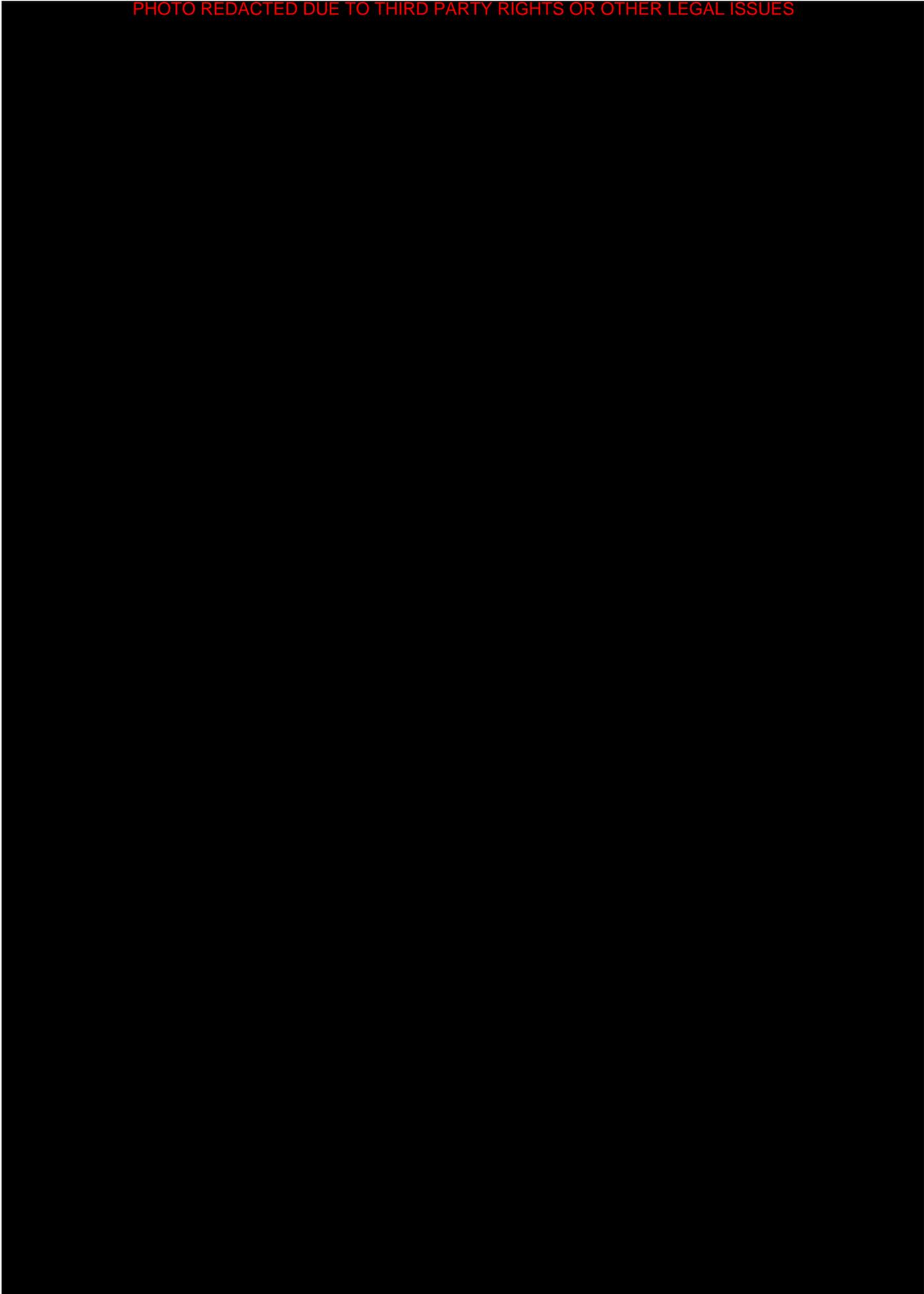
If we each play our part it is a vision that holds the prospect of prosperity, equality and opportunity for our country and all our fellow citizens.

I commend this programme for the next year to the people of Scotland whom I pledge to serve to the best of my ability.



Nicola Sturgeon MSP
First Minister of Scotland

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CHAPTER 1

SUMMARY

1. This Programme for Government sets out our programme of policy delivery and legislation for 2014-15. Since being elected in 2007, we have had a clear, overriding purpose to create a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. That remains at the heart of all that we will do.
2. The historic referendum on Scottish independence has seen people take an unprecedented interest in shaping the kind of Scotland we live in and the political process that supports it. We believe that independence would have unlocked unparalleled opportunities for our country, but we respect the outcome of the referendum and are working constructively with the Smith Commission in order to bring more powers to the Scottish Parliament.
3. There is no question that a very substantial proportion of the Scottish people want to be heard and contribute to real change. A defining feature of the referendum was the engagement of people whose voice previously went unheard. Our programme shows how we are responding positively to this, inviting communities to have more say over what is done in their name, and to be part of the solutions.
4. Although Scotland's economic performance is improving, poverty remains an issue for too many people. In order to tackle this, we must ensure not only that we are getting more people into work which is fairly paid, but also that we are tackling the underlying causes of poverty, by, for example, raising educational attainment.
5. Our success as a nation depends on working together to deliver a strong economy supporting a fairer society. These go hand in hand, and we cannot have one without the other. Therefore, the focus of our Programme for Government 2014-15 will be on the following themes:
 - **Creating More, Better Paid Jobs in a Strong, Sustainable Economy.**
 - **Building a Fairer Scotland and Tackling Inequality.**
 - **Passing Power to People and Communities.**

Creating More, Better Paid Jobs in a Strong, Sustainable Economy

6. Scotland is a wealthy and productive country, rich in natural and human resources. In the coming year we will build on these strengths, developing our economy in partnership with businesses and communities. Our focus is ensuring more people are lifted out of poverty through getting them into work which is fairly paid. To support this, we will:

- **Maintain Scotland's position as the best place to do business in the UK** with a package of business rates relief worth an estimated £594 million for 2014-15 and £618 million for 2015-16. Two in every five business properties across Scotland benefit from zero or reduced rates through the Small Business Bonus Scheme alone
- Continue our support for the living wage, ensuring this is paid to all staff covered by the public sector pay policy. We will take a range of measures to **further promote the living wage across the private sector**, including, providing an additional £200,000 to the Poverty Alliance for work in this area. With this funding, we are setting a target to more than double the current number of organisations signed up to the Living Wage Accreditation Scheme from 70 to at least 150 by the end of 2015.
- Help get more women into work through our proposals for **expanding childcare** and taking action to improve **gender balance on Boards**.
- Provide **30,000 new Modern Apprenticeship opportunities every year by 2020**, having already exceeded our current target of 25,000 per year.

- Work with Scottish businesses to further grow our economy, and in particular support **Small and Medium Enterprises** for example by providing **£30 million of ring-fenced support** for smaller developers within **Help to Buy Scotland**.
- Introduce a new Scottish Business Pledge.
- 7. We will also ensure competent delivery of the **additional revenue raising powers** which will become the responsibility of the Scottish Government from 1 April 2015, and have laid already out our spending plans for the year ahead in our **Budget Bill**.

A Fairer Scotland, Reducing Inequalities

- 8. We are committed to ensuring people are provided with the opportunity to lift themselves out of poverty through fairly paid work. We must also take action to tackle the underlying causes of poverty, enabling people to take advantage of these opportunities. Raising educational attainment, tackling ill health and ensuring we promote equality and human rights are all crucial to enabling people to access work, and thus to address the underlying causes of poverty.
- 9. In order to provide young people with the opportunity to fulfil their potential we will:
 - Deliver our commitment to 600 hours of childcare for over 120,000 3 and 4 year olds and eligible 2 year olds. We also want to build upon that **to almost double the number of free hours to 30 hours a week of free childcare by the end of the next Parliament** and will begin planning for this expansion immediately.
 - Take action to raise **educational attainment** through putting in place an Attainment Advisor for each Local Authority, who will reach into every learning community in Scotland to build capacity in our schools.

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- Introduce an **Education Bill** which will promote children's and parental rights, including in relation to Gaelic education.
 - Better prepare all young people for employment by implementing the recommendations from the **Young Workforce Commission's** *Education for All* report.
 - Begin work on a new target to **close the equality gap in terms of university access** and will set up a Commission on Widening Access to advise us on critical steps and milestones towards this goal.
 - Provide £2 million in 2015-16 to **double the funding available for local widening access initiatives** through the Scottish Funding Council's Impact for Access Fund.
 - Introduce a **Higher Education Governance Bill** which will ensure that the governance of our universities is transparent, democratic and accountable.
- 10.** The Scottish Government is committed to helping people to sustain and improve their health, especially in disadvantaged communities, and ensuring better, local and faster access to health care. In particular, we will:
- **Reaffirm our commitment to NHSScotland**, ensuring that the revenue budget of our NHS is set to rise in real terms for the remainder of this Parliament and beyond.
 - **Increase funding to tackle delayed discharges.**
 - Continue to progress our ambitious programme of **health and social care integration**, ensuring that health and social care provision across Scotland is joined-up and seamless, especially for people with long-term conditions and disabilities.
 - Introduce a **Carers Bill** to provide further support for carers and young carers to help achieve their personal outcomes.
 - Introduce a **Public Health Bill** which will deal with those extreme cases where people in health and social care settings have suffered the worst cases of neglect and ill-treatment, and implement measures to reduce the attractiveness and availability of non-medicinal e-cigarettes and tobacco.
 - **Give power to the Healthcare Environment Inspectorate to order closure of wards on the grounds of patient safety**, a key recommendation of the Vale of Leven inquiry report.
- 11.** A fair and equitable justice system is crucial to ensure that our people and communities can take control of their own affairs and thrive. We will:
- Reaffirm our support for our police and maintain our commitment to **over 1,000 more police in our communities.**

- Take measures to **tackle domestic abuse**, including consulting formally on introducing a new specific criminal offence of committing domestic abuse and also bring forward legislation to address 'revenge porn'.
- Introduce a **Human Trafficking and Exploitation Bill** which will give police, prosecutors and other agencies the powers to make Scotland a hostile environment for human traffickers, and which will help to identify and support the needs of victims.
- Take forward a **Community Justice Bill** to create a stronger community justice system that provides local leadership, decision-making and service delivery.
- Introduce a **Fatal Accident Inquiries Bill** which will modernise the way FAIs are handled in Scotland.
- Introduce a **Succession Bill** to ensure that the law in this area is fairer, clearer and more consistent. We also plan to consult in the coming year on further legislation on succession which will aim to radically overhaul the current law in this area. As part of this modernisation the distinction between movable and immovable property would be removed to give children, spouses and civil partners appropriate legal rights over both forms of property. This should ensure a just distribution of assets among a deceased's close family to reflect both societal change and expectations. These changes will be an important aspect of our series of measures in respect of Land Reform.

12. The best way to tackle poverty is to ensure people can do this for themselves through access to fairly paid jobs. However, it is also important to have a fair and compassionate welfare system. The Scottish Government is committed to challenging the UK Government for fairer welfare reform and to take action to ensure that safeguards are in place for those who need them most. We will:

- Provide **£104 million** in 2015-16 to **mitigate the welfare reforms being imposed by Westminster**, via the Welfare Fund (£38m) Bedroom Tax support (£35m) council tax reduction scheme (£23m) and advice services (£8m). We will continue to progress the Welfare Funds Bill through the Scottish Parliament to provide a statutory basis for a permanent local welfare safety net.
- Introduce the **Community Charge Debt Bill** to **end collection of historic Poll Tax debts**.
- Appoint an independent **Advisor on Poverty and Inequality** reporting directly to the First Minister to advise on actions needed to tackle poverty.

Passing Power to Our People and Communities

13. The Scottish Government alone does not have all the answers we need to deliver a strong economy and support a fairer society. Government, communities, trade unions, businesses and the third sector must all come together in a sustained national endeavour to achieve this. We will take a range of actions to invite these partners to take control of the decisions and actions they need to deliver change. Measures to support this include:

- Ensure progress of our **Community Empowerment Bill** which was introduced to the Parliament earlier this year, and is already proposing measures to improve civic and community engagement and empowerment, including on the use of public assets.
- **Establish a new Empowering Communities Fund** which will encompass our existing People & Communities Fund, and will have an **additional £10 million** to allocate next year - more than doubling the existing resource.

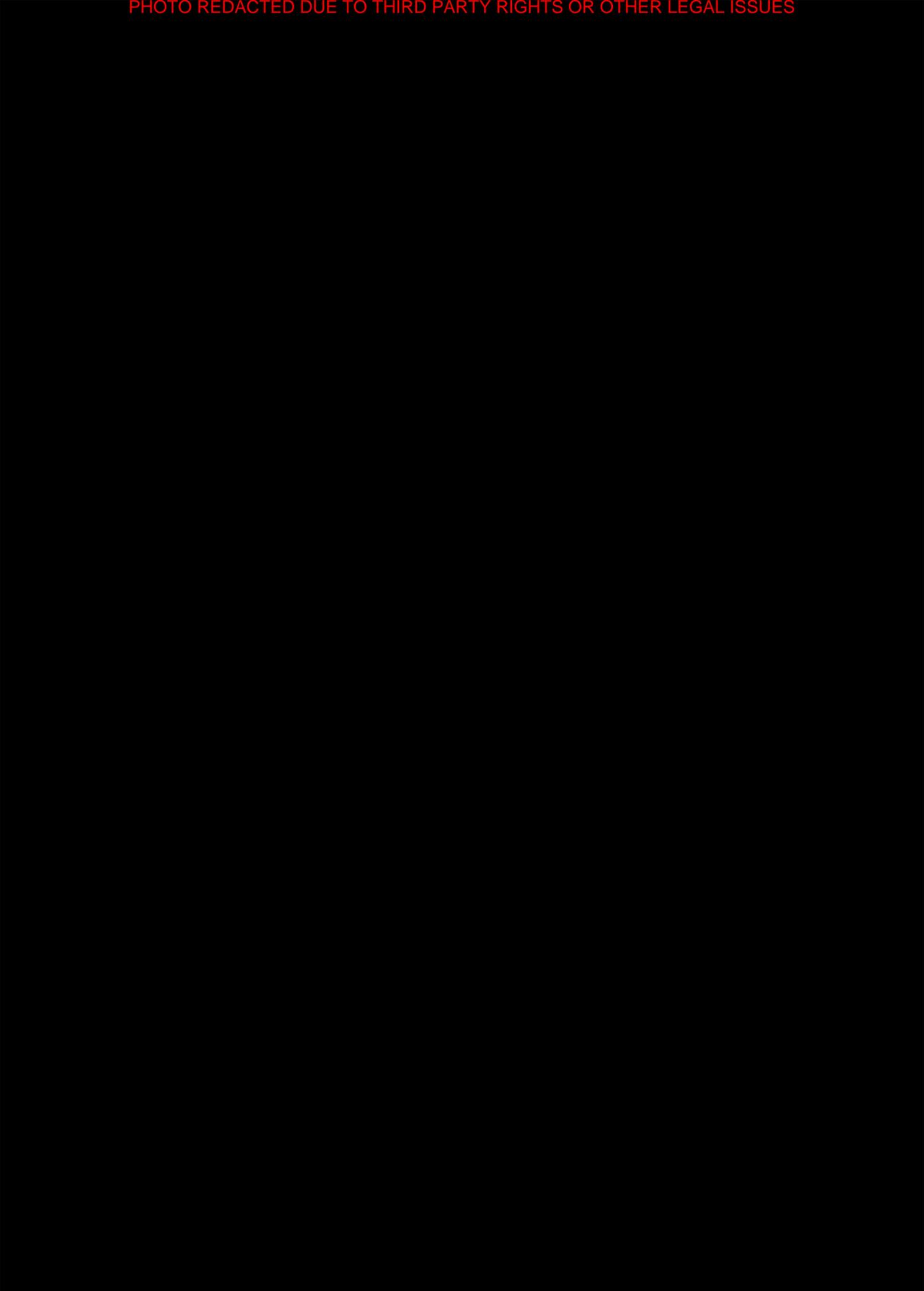
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- Our new **Land Reform Bill will take forward radical land reform** and ensure Scotland's land reform debate focusses on how Scotland's land can be best managed in the public interest to ensure it is of benefit to all of the people of Scotland. The measures in our Land Reform Bill will be accompanied by a range of non-legislative action building on the excellent work of the Land Reform Review Group. Increasing the transparency of who owns Scotland will be a major theme throughout these actions, as we believe that transparency in itself can help create the conditions for on-going reform. That on-going reform will be secured through the establishment of the Land Reform Commission which will ensure that Land Reform is a continuing process.
- Invite our rural communities to take more control of their own affairs through **Scotland's Rural Parliament** and in terms of our work to give **more powers to our island communities**. We will formally re-launch the Islands Area Ministerial Working Group and consult on measures to be included in an Islands Act. Our **Harbours Bill** will implement a number of technical changes to ensure our harbours have a secure future.
- Give people and communities better access to the information they need to take control of their own affairs through **increased free provision of Wi-Fi** in public buildings. We will provide funding of £1.5m to support this.

Continuing to Deliver

14. The last year has demonstrated that through working together the Scottish people and the Scottish Government can achieve real change. As well as hosting a conversation on Scotland's future which has fundamentally changed the way in which politics works both in Scotland and the UK, we have also continued to deliver a huge range of other programmes. The growth in international interest in Scotland which has occurred in 2014 gives us a tremendous platform to strengthen our voice in European and international affairs to the benefit of the people of Scotland.
15. This has particularly been demonstrated by Scotland's successful Commonwealth Games in Glasgow and the legacy programme which will continue to provide benefits for our communities for years ahead, and through the more recent Ryder Cup. However, these high-profile events should not detract from the huge range of other areas on which we have delivered in the past year, in achieving real improvements in things that matter most to people, such as our economy, schools and NHS. The Scottish Government will continue to work in full partnership with the people of Scotland to achieve social justice and create an inclusive, strong and sustainable economy.

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CHAPTER 2

WORKING TOGETHER FOR A STRONGER SCOTLAND

- 16.** The Edinburgh Agreement committed the Scottish and UK Governments to work together constructively in the light of the outcome of the referendum in the best interests of the people of Scotland and of the rest of the United Kingdom. The Scottish Government will honour this agreement and has indicated its willingness to work closely and constructively with the UK Government on the next steps in Scotland's constitutional journey.
- 17.** The UK Government has now instituted a process under Lord Smith of Kelvin to produce proposals for further devolution according to a timetable laid out by the UK parties during the campaign, endorsed by the Prime Minister and now adopted by the UK Government. In line with the Edinburgh Agreement, the Scottish Government is engaging constructively with this process.

A Stronger Scottish Parliament

- 18.** On 10 October, the Scottish Government published proposals for substantial, additional powers for the Scottish Parliament in the document *More Powers for the Scottish Parliament*. The proposals, which focus on equipping the Scottish Parliament to create more jobs, reduce inequality and protect public services, were also sent to the Commission led by Lord Smith.
- 19.** The Scottish Government's approach towards new powers is one aimed at delivering progress through self-government. We propose maximum self-government within the Union, underpinned by the following clear principles. Further devolution must:
 - Respect the sovereignty of the people of Scotland and enhance financial and democratic accountability to them. As part of this, the Scottish Parliament should have the power to devolve power further, to local authorities and communities.
 - Transform the ability of the Scottish Parliament and Government to meet the challenges we face as a country, in particular to enable Scotland to be a more prosperous country, a fairer and more equal society and have a stronger voice in the EU and internationally on matters within devolved competence.
 - Be equitable and transparent in its approach to resources, risks and rewards including arrangements for Scotland to have access to taxes raised in Scotland and transitional or residual transfers of resources to be based on the current Barnett formula.

20. The outcome of the next steps in developing proposals must be meaningful measures for further devolution that command widespread support amongst the people of Scotland and from the Scottish Parliament. Only a radical and substantial package will address the issues raised during the referendum campaign.

Bringing Government Closer to the People

21. Scotland's greatest asset is our people, and the people who live in Scotland are best placed to make decisions about our future. But Scotland can only truly harness the collective knowledge and experience of its people if our democratic mechanisms are modern, inclusive and fit for purpose.
22. In the summer of 2014 we launched a consultation exercise aimed at seeking views on how we can improve the quality of democracy in Scotland by encouraging wider engagement and participation in elections. The incredible participation levels in the referendum served to emphasise that there is a huge appetite in Scotland to participate in the democratic process. We will develop ways of working to ensure that our government is run on a collaborative basis and use the lessons from the referendum to continue the process of making voting more meaningful for our people and our communities.
23. We are committed to being a more open, accessible Government, engaging directly with people on the issues that matter to them. This approach will underpin the whole range of our policies, and will be reflected in how we carry out the business of Government itself. We have already held very successful Summer Cabinet meetings throughout Scotland, and these will be expanded so that at least one meeting of the Scottish Government's Cabinet will take place outside Edinburgh every two months. These, and similar initiatives, will seek to bring Government closer to the people of Scotland.

A DISTINCTIVE APPROACH TO GOVERNMENT

24. A priority for the Scottish Government is to deliver an approach to public services that values communities and the efforts of individuals; works in partnership with the third sector and civic Scotland in all its diverse forms across the country; acts early to make best use of resources; and values the contribution made by public services and public servants.
25. To deliver this, we have already developed a distinctive approach which is widely recognised as being innovative and which we will continue to evolve. We focus on the outcomes people want to see, work with our partners, and value the diversity of Scotland, delivering for people and communities across the country, and not solely focusing on the more densely populated 'central belt'.
26. The power of public services to enhance quality of life and to improve economic opportunities has never been more important. The Scottish Government remains focused on delivering a cross-sector programme of public service reform. Informed by the findings of the Christie Commission on the *Future Delivery of Public Services*, a consistent and clear strategic direction for protecting and improving Scotland's public services is now well established. This is built around the four pillars of reform: partnership; prevention; people; and performance.
27. Public, third sector and private organisations must work more effectively in partnership with communities and with each other to design and deliver excellent public services which meet the needs of local people. Through Community Planning Partnerships and the Single Outcome Agreements the Government is seeking to support public and third sector partners to come together and share budgets to achieve outcomes.

- 28.** Future demand on services can be reduced by preventing problems arising or dealing with them early on. The Scottish Government has invested more than £500 million over the Spending Review period in three Change Funds in relation to early years, reducing reoffending and health and social care provision to catalyse the shift towards prevention across mainstream services. We will press ahead with this work.
- 29.** A focus on performance is demonstrated through continuous improvement of national outcomes, applying reliable improvement methods to ensure that services are consistently well designed and are delivered by the right people to the right people at the right time. All partners are aligned in the pursuit of improving outcomes as set out and monitored in **Scotland Performs**.

SCOTLAND PERFORMS

The Scottish Government's National Performance Framework provides a clear, unified vision of the kind of Scotland we want to see and how our actions improve the quality of life for the people of Scotland. It is a single framework to which all public services in Scotland are aligned and provides a clear direction to move to outcomes-based policy making. It provides the platform for wider engagement with the Scottish Government's delivery partners including local government, other public bodies, third sector and private sector organisations.

By aligning the whole public sector around a common set of goals, we can deliver lasting change through collaboration and partnership working. Different organisations are now working towards shared goals defined in terms of benefits to citizens, rather than simply efficient service delivery. An example of this is the *Strategy for Justice in Scotland*, which is an outcomes-focused plan, developed and committed to collectively by the Scottish Government, the Courts, the Prosecution Service, the Prison Service and other agencies. It involved the joint identification of the key priorities for action, based upon sound evidence, and sets out a coordinated response, which requires working across boundaries, to deliver a wide range of financial and societal benefits.

The purpose of the Scotland Performs website is to provide a continually updated, impartial and transparent stocktake of how Scotland is performing as a nation and as a society against the wide range of indicators set out in the National Performance Framework:

www.scotlandperforms.com

Scotland's outcomes-based approach to government and National Wellbeing has been internationally recognised as world leading. In its 2013 report 'Shifting the Dial in Scotland', the Carnegie UK Trust noted:

"We did not expect to find international innovation on our doorstep. But our work has repeatedly found that the Scottish National Performance Framework is an international leader in wellbeing measurement, a sentiment repeated by Professor Stiglitz in his address to the OECD World Forum in India, in 2012."

- 30.** Scotland can take advantage of its scale in order to bring together partners from diverse areas in order to develop policy and drive improvements. For example, the *Scottish Leaders' Forum* is a network focused on nurturing these forms of collaboration and brings together leaders from a wide range of organisations contributing to public services in Scotland.
- 31.** Digital technology is a powerful enabler for improving public services and reducing their cost. Technology is transforming many aspects of our lives and we need to ensure that we transform our digital public services to take advantage of the digital age. Designing and delivering good-quality online services which meet user needs is a priority. The opportunities go well beyond transactional services, providing new ways of tackling more complex service needs, such as self-management of long-term health conditions. Better use of data, in all forms and using new tools and techniques, can also deliver major improvements in the quality of public services. The Scottish Government will take forward these priorities, with public service partners, as we implement Scotland's Digital Public Services Strategy.
- 32.** We will work with and beyond the United Kingdom to help attract business, investment and tourism, and to further Scotland's wider interests. Our role in the European Union is particularly important in this respect. A strong Scottish voice will enable us to have a real influence over issues that have a significant impact on the people of Scotland, including youth employment, economic growth and public health. We have set out our proposals for reform of the EU within the context of the current EU Treaty framework that would ensure that the European institutions focus on taking action in areas that can provide clear and tangible benefits for all citizens of the Union. We will develop a clear action plan for EU engagement focused on securing a strong and positive Scottish influence on key elements of EU policy which affect prosperity, fairness and sustainability in Scotland and developing strong partnerships with like-minded European partners to secure tangible benefit for Scotland.
- 33.** The Scottish Government has set out its determination to tackle inequalities in our own country. But poverty continues to be a global problem, one which we are determined that Scotland should play its part in addressing. We will continue to contribute to a fairer, more equal world through the key strands of our international development programme, and look for ways to ensure that the programme maintains and intensifies its impact in years to come.
- 34.** In 2014 there has been more international attention than ever on Scotland. We will build on this profile, and Scotland's already positive reputation, to promote our country's interests overseas. We will also continue to build on the constructive role Scotland can, and does, play in international affairs. At the same time, we will continue to export goods, people and ideas around the world and welcome ideas and people into our national culture. At the heart of this approach is our belief that a global outlook, for Scotland's government as well as its people, is more vital than ever for our health, prosperity and safety.

Scotland's Place in the World

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Driving Improvement, Working in Partnership

- 35.** At the heart of the Scottish approach to government is working with the people of Scotland to deliver the best possible outcomes. There is an increasing focus on approaches which build on and extend the resilience and capabilities of individuals, families and communities (known as an *'asset based approach'*) and in enabling people to shape and assist with the production and delivery of the services they use (known as *'co-production'*), drawing on their knowledge and skills to develop solutions tailored to the people and communities that need them.
- 36.** This is supported by an 'improvement approach', which provides guiding principles to help achieve improvement on the scale needed. This recognises that across public services and communities there is no lack of ideas or will to make things better, and therefore outlines key principles to turn this into practical action and make change happen at a local level, at the scale and the pace needed.
- 37.** The distinctiveness of the Scottish approach was recognised in a Carnegie Study which found that "*Scotland was the only jurisdiction where we were able to clearly observe a strategic approach and trace it to a series of cross-cutting policies*". It is an approach which has also delivered measurable improvements across Scotland. For example, the National Performance Framework identifies early years as a national outcome of "*Our children have the best start in life and are ready to succeed*". The objective of the Early Years Collaborative is to move this ambition into practical action. This is a coalition of Community Planning Partners, including social services, health, education, police and third sector professionals which aim to deliver tangible improvement in outcomes and reduce inequalities for Scotland's vulnerable children.
- 38.** The Scottish Government believes that neither government nor citizens have all the ideas or resources needed to solve complex social problems on their own, and that only by working together can we develop solutions that will meet social needs and ensure these issues will be properly addressed.
- 39.** This approach will redress the balance of power and resources between professionals, such as the Scottish Government and delivery partners, and individuals and communities, as service users become more closely involved in the delivery of their own services. It often generates new and innovative ways of designing and delivering services, and is concerned with making better use of individual and community assets to improve outcomes for people.

- 40.** It is also essential that the improvement of services in Scotland benefits from an evidence-based and consistent methodology. This has been pioneered by the NHS in Scotland in its *Patient Safety programme*, are being brought to scale in the *Early Years Collaborative*, and are increasingly part of development programmes for staff at all levels in a variety of organisations.
- 41.** Satisfaction levels with public services in localities have risen, and in health and across a wide range of services there are measurable improvements in both outcomes and the closure of equality gaps. These encouraging data stand alongside wider social outcomes such as the significant reductions in crime, in youth unemployment and in the misuse of drugs and alcohol. As part of the National Performance Framework, these data are published and updated on **Scotland Performs**.
- 42.** This approach is beginning to deliver proven benefits, and is still evolving, gaining international acclaim in the process. It underlies the approach to how we will deliver on our commitments for the coming year, helping us to work together to deliver for all of Scotland.

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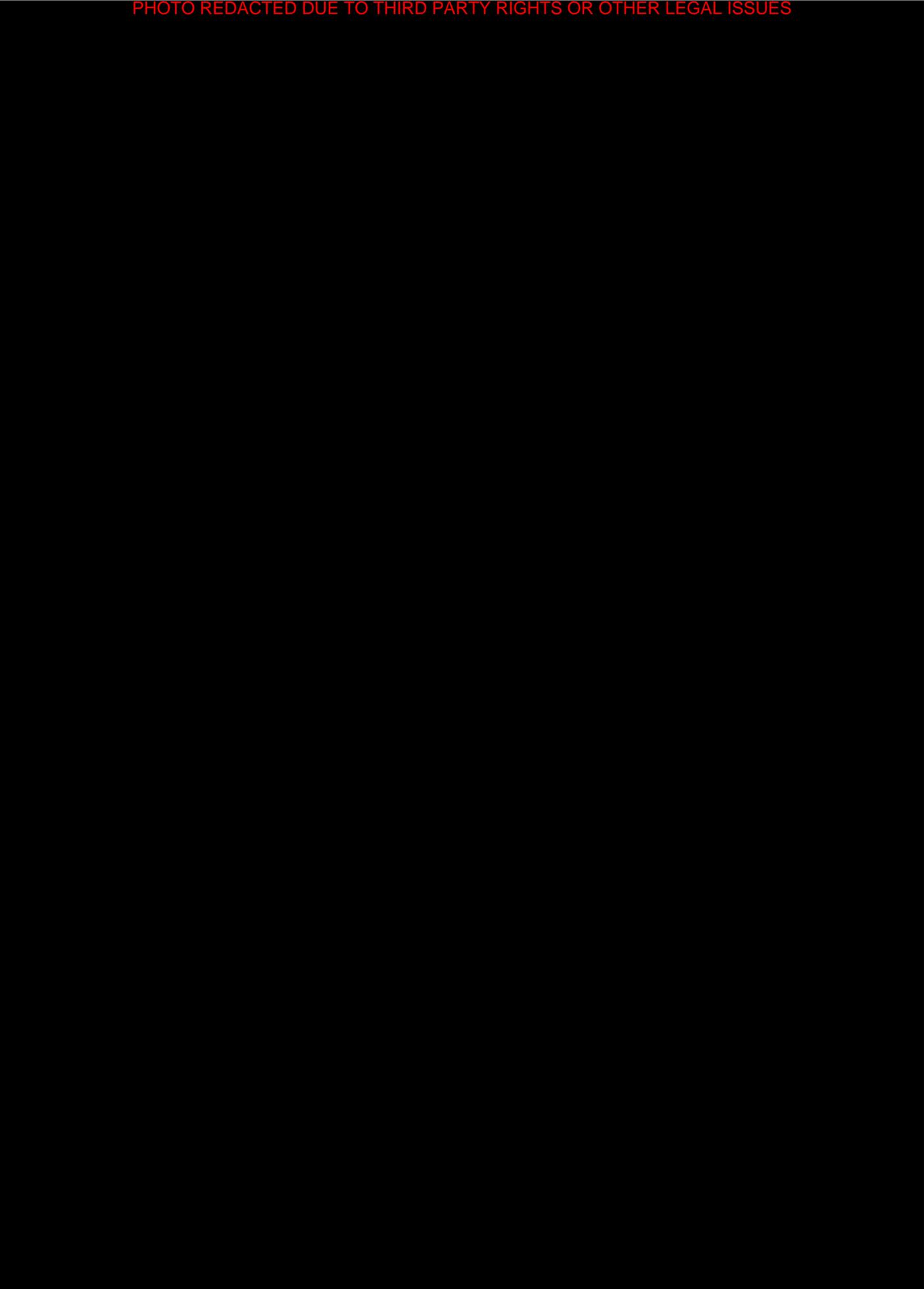
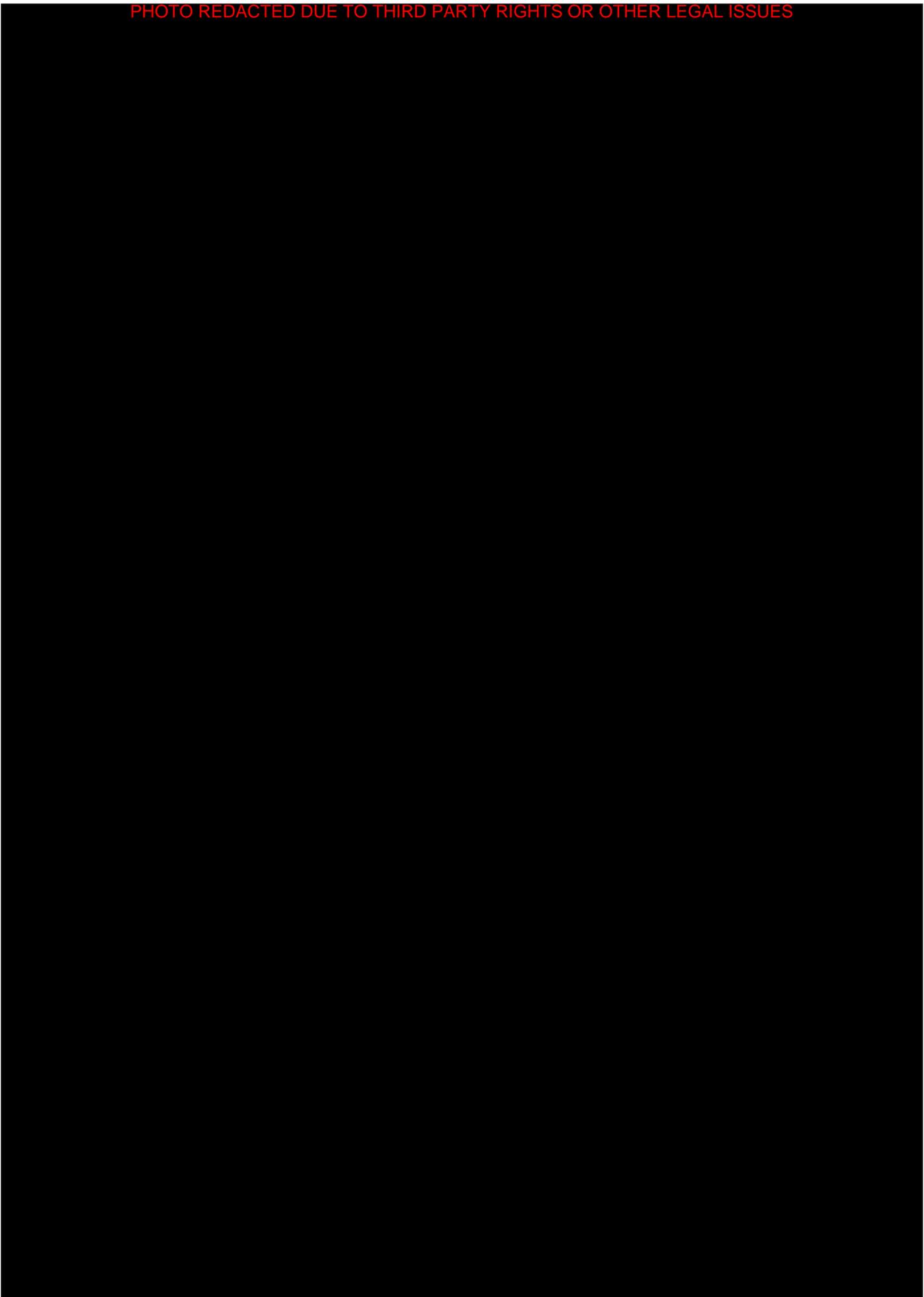


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CHAPTER 3

CREATING MORE, BETTER PAID JOBS IN A STRONG, SUSTAINABLE ECONOMY

43. Scotland is a wealthy and productive country, rich in natural and human resources. Since devolution, successive Scottish administrations have been able to use the limited economic powers at their disposal to improve Scotland's economic performance relative to the UK across a range of indicators.
44. We start from strong foundations. Even excluding oil and gas, Scotland has the highest output per head of any part of the UK outside London and the South East. With oil and gas included, we are richer still.
45. We have a highly-skilled workforce, substantial natural resources, a longstanding reputation for innovation, an internationally-recognisable brand, and products and companies competing successfully in global markets. We have thriving energy, life sciences and creative industries and social enterprise sectors, while Scotland's tourism and food and drink are internationally renowned. Our universities are amongst the best in the world with four universities in the world's top 200 – more per head of population than any other country except Switzerland.
46. The global financial crisis and subsequent recession posed a significant challenge. However, there is now a clear and sustained strengthening in the Scottish economy, with the recovery now well established. Indeed, earlier this year, the Scottish economy grew to surpass its pre-recession peak.
47. Scotland's labour market has also made considerable progress. The most recent data shows that employment in Scotland has increased for almost two years, the longest ever unbroken run of rising employment in Scotland. Unemployment in Scotland now stands at 5.9 per cent, lower than the UK as a whole. Indeed Scotland outperforms all other nations of the UK on employment, unemployment and economic activity rates.
48. However, we continue to face a number of short- and long-term economic challenges. Despite the recovery, youth unemployment remains high and the recession has led to higher levels of underemployment and pressure on household incomes. Scotland's long-term economic growth rate has tended to lag slightly behind both the UK and other comparable independent countries. Whilst as part of the UK economic system, inequality is higher in Scotland than many of our international competitors.

OUR ECONOMIC STRATEGY

- 49.** The Scottish Government and our partners can be rightly proud of our efforts to mitigate the worst effects of the global downturn. However, as the recovery gathers momentum attention is increasingly shifting to the outlook for future growth. The Scottish Government has two key objectives:
- To continue to tackle the legacy effects of the downturn, such as youth unemployment, underemployment, pressures on household-incomes, in-work poverty and job security.
 - To support the long-term development of a labour market and economy that is resilient, adaptable and responsive to change.
- 50.** Both of these will require a continued focus on the drivers of growth identified in the Government Economic Strategy: strengthening Scotland's productivity performance, widening and increasing labour market participation and growing our working age population, capitalising on the skills and contribution of all Scotland's people.
- 51.** The Government Economic Strategy makes clear the importance of ensuring the right balance of growth: growth which reduces inequalities and allows everyone to realise their potential, reduces disparities across Scotland and society, and protects and improves Scotland's natural environment. Tackling such inequalities are not just valued objectives in their own right, but also essential for delivering a more prosperous and resilient economy over the long run.
- 52.** At the centre of this is a vision for Scotland to be an innovative, high wage and high productivity economy that competes in international markets and focuses on high value goods and services. This requires not just a well-qualified and highly skilled workforce, but also, crucially, the opportunities for individuals to put their skills to work and job opportunities that make the most productive use of them.
- 53.** To build on the economic recovery and the key strengths of the Scottish economy, the Scottish Government's economic programme for the year ahead will centre on:
- A Fair and Inclusive Jobs Market.
 - Boosting Scottish Competitiveness and Investment.
 - A Modern Innovative Economy with an International Focus.
- 54.** To help deliver on this, the Scottish Government will strengthen the role of the Council of Economic Advisors. This is an independent advisory group to the First Minister, first established in 2007 and reconvened after the 2011 election, focusing on three priority areas: Recovery and Jobs; Internationalisation; and Economic Levers. We will refresh the Council's remit to ensure that it continues to focus on the economic areas that matter most to the people of Scotland.
- 55.** The Scottish Government has consistently warned of the dangers that the UK Government's austerity plans pose to the economic recovery and to the quality of public services that the people of Scotland value so highly. Between 2010-11 and 2015-16 the discretionary budget of the Scottish Government has been cut in real terms by around 10 per cent and independent analysis suggests this could reach almost 20 per cent by 2018-19.
- 56.** Despite our capital budget being cut in real terms by around 26 per cent over the course of the current spending review, we have taken action to support an investment-led recovery by securing investment of more than £11 billion over three years (2013-14 to 2015-16). We also recently announced a further £1 billion worth of investment by extending our revenue-funded Non-Profit Distributing infrastructure programme.

57. Through our effective management of the public finances, innovative approaches to infrastructure investment and our focus on prevention, community empowerment and reform we have taken action to mitigate the most harmful impacts of the cuts. However, we are limited in the actions that we can take within the constraints of the current devolved settlement.

58. The current UK Government has promised further cuts in UK spending with much of that affecting those on the lowest incomes. The Office for Budgetary Responsibility have suggested that the UK Government's current plans imply that, by 2018-19, public services spending would fall to its lowest share of national income since at least 1948.

59. The increasing number of people who continue to experience difficulties as a consequence of decisions being taken in Westminster highlights the need for significant additional powers over taxation, welfare and wider economic policy to be transferred to the Scottish Parliament.

A FAIR AND INCLUSIVE JOBS MARKET

60. Central to Scotland's future economic success is a strong, highly-skilled and resilient workforce. At the same time, the drive for well-paid and good quality employment lies at the heart of our efforts to reduce inequalities and allow everyone to realise their potential, reduce disparities between different parts of Scotland and maximise both the returns from work and the well-being of the people of Scotland.

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61. The recent performance of Scotland's labour market has been strong with Scotland outperforming the other nations of the UK. However, challenges remain. For example, whilst Scotland's youth employment rate (56.7 per cent) is higher than that of the UK (53.8 per cent) and despite falling by 13,000 over the last year, youth unemployment in Scotland at 18.5 per cent is far too high.

62. As the Scottish economy continues to strengthen, skills development and improving sustained labour market participation will continue to be a priority. In the past year, the Scottish Government has:

- Exceeded the target of creating 25,000 Modern Apprenticeships per annum, with 25,284 people starting apprenticeships in 2013-14. This takes the number of Modern Apprenticeship starts over the past three years to 77,402. We now aim to provide 30,000 new Modern Apprenticeship opportunities every year by 2020.
- Ensured that through the Opportunities for All commitment, all 16-19 year olds in Scotland not already in work, education or training are being offered a learning or training opportunity.
- Delivered 26,704 training places through the Employability Fund.
- Through Youth Employment Scotland, offered employer recruitment incentives to support young people into sustainable employment.

- Worked with third sector employers to provide training opportunities for 1,255 young people through Community Jobs Scotland during phase 3.
 - Continued to provide financial support through the Education Maintenance Allowance to those 16-19 year olds in school and at college for whom finance is a barrier to education.
 - Allocated £6.6 million to take forward actions contained in the digital skills investment plan and to support wider digital literacy skills development.
 - Provided advice and support to those facing redundancy through The Partnership Action for Continuing Employment.
- 63.** As well as action to improve people's skills and ability to access employment, the Scottish Government is also focusing on the quality of work and on broader wellbeing, as well-rewarded and sustained employment offers the best route out of poverty and an important means of tackling inequality.
- 64.** Improving security of employment and fair pay are essential to improving workplace performance, with important implications for productivity. Measures such as the Living Wage, as well as being a tool for reducing poverty, can play a vital role in improving workforce performance and workplace quality.
- 65.** The Scottish Government is committed to paying the Living Wage, and is one of the leading employers committed to doing so, as are many others in the public sector, such as NHSScotland. However, it is important that the Living Wage is paid by as many employers as possible, and we will work with the third and private sector to support this.
- 66.** We will also continue financial support for Living Wage Accreditation promotion activity in Scotland, providing an additional £200,000 to the Poverty Alliance in order to more than double the current number of accredited organisations from 70 to at least 150 by the end of 2015.

EXPANDING THE LIVING WAGE

Short of the power to legislate, the Scottish Government is committed to:

- Working with the Poverty Alliance and Living Wage Foundation to explore models to boost public and third sector uptake of Living Wage Accreditation.
- Increasing financial support for the Living Wage Accreditation scheme in Scotland, providing an additional £200,000 to support Poverty Alliance for work up to March 2016. With this funding, we are setting a target to more than double the current number of organisations signed up to the Living Wage Accreditation Scheme from 70 to at least 150 by the end of 2015. Further promoting private sector uptake by hosting a Living Wage Accreditation Summit with business leaders.
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- Ensuring that the newly-announced Fair Work Convention prioritises the role of the Living Wage in their work to develop a Fair Work Framework for Scotland.
- Publishing statutory guidance by end 2015 on how workforce-related matters - including Living Wage - should be taken into account in public contracts.
- By the end of 2015 implementing provisions in the Procurement Reform (Scotland) Act 2014 which will require public bodies' procurement strategies to make a statement of their general policy on payment of a Living Wage to persons involved in delivering public contracts.

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- 67.** Higher levels of job quality, achieved through changed practices and relationships in the workplace will, by releasing the commitment, energy and creativity of the workforce, make a material difference to productivity and competitiveness, and to the well-being and resilience of individuals and communities. These aspects are also core to tackling the long-standing issues of under-utilisation of skills in Scotland, and assist in the recruitment and retention of skilled workforces in remote areas such as the Highlands.
- 68.** We will work closely with the Scottish Trades Union Congress (STUC) and business representatives in the new Fair Work Convention, which will be a powerful advocate of the partnership approach which characterises industrial relations in Scotland at their best – and recognise the fact that business productivity goes hand in hand with proper pay for employees and progressive workplace policies.
- 69.** While the number of women in employment is at its second highest level since comparable records began in 1992, we will continue to focus on ensuring that Scotland closes the gap with other countries in harnessing the contribution that women make to the economy.
- 70.** Through *'Women in Enterprise; A Framework & Action Plan'*, the Scottish Government is supporting the development of public, private and third sector partnerships across Scotland to bolster entrepreneurial activity amongst women.
- 71.** Over the last year, the Scottish Government has urged the UK Government to transfer powers required for the introduction of gender quotas on the boards of public bodies. A transfer of these powers to the Scottish Parliament could have enabled progress to be made in achieving gender equality in public life in this parliamentary session. We reiterated this request in our submission to the Smith Commission as this is an area in which we are determined to see meaningful change occur.

TRANSFORMING CHILDCARE

A key barrier for women entering work is a lack of affordable childcare. However, we are committed to delivering as comprehensive a range of affordable childcare as we can within the limits of our current powers.

Implementation of the Children and Young People (Scotland) Act 2014 will provide new powers to increase the amount and flexibility of early learning and childcare. We have committed £329 million over 2014-15 and 2015-16 to allow for expansion of childcare provision for 3 and 4 year olds to 600 hours and to extend this provision to the 27 per cent most disadvantaged 2 year olds. This will help to reduce the cost barriers facing parents with young children.

We will work over the next year to ensure delivery of this commitment as, over the longer term, we prepare to increase the number of hours from 16 to 30 per week.

Youth Employment

- 72.** There will be an on-going focus on measures to reduce current levels of youth unemployment and overcome the underlying structural challenges that were apparent in the youth labour market before the financial crisis.
- 73.** The Commission for Developing Scotland's Young Workforce was established by the Scottish Government in January 2013. Chaired by Sir Ian Wood, the Commission was independent of Government and was tasked with bringing forward a range of recommendations designed to improve young people's transition into employment. The Commission's final report was published on 3 June 2014.
- 74.** The Scottish Government's forthcoming update of the Youth Employment Strategy and the Government's implementation plan of the Commission's recommendations will build on the current measures to reduce current levels of youth unemployment and overcome the underlying structural challenges that were apparent in the youth labour market before the financial crisis. The Scottish Government will support a range of measures recommended by the Commission to encourage and support employers to engage with education and employ young people.
- 75.** We will launch a seven year national programme to develop the young workforce in Scotland. The measures will engage employers in a cross-government and wider partner effort, in particular between schools and colleges, to provide young people with further opportunities to access learning which is directly relevant to getting a job and improve their employment prospects.

GENDER BALANCE ON BOARDS

The Scottish Government will continue to argue for the additional powers required for the introduction of gender quotas on the boards of public bodies. Data for 2013-14 indicates that although the number of female applicants being appointed to public bodies continues to increase - up to 42.2 per cent for board members, chair appointments remain low at 17.6 per cent and there is still significant under representation in a number of sectors. A snapshot from July 2014 showed that there were 227 female board members in total, which would mean a further 88 female appointments would be required to reach an average 50:50 representation overall.

Until such a time as we have the power to legislate, we will introduce a number of policies aimed at challenging all organisations to set a voluntary target for gender balance on their boards of 50:50 by 2020:

- We will launch a voluntary *Partnership for Change Pledge - 50:50 by 2020* in Spring 2015. This will build on the work that many organisations are already taking forward on a voluntary basis through their own diversity strategies.
- Using the powers we currently have, we will amend the Scottish Specific Duties regulations to impose a new duty on public bodies to publish the composition of their boards, produce an action plan to increase diversity and gender balance on their boards and to publicly report on progress.
- We will work to deliver a diverse range of candidates who are available for public appointments. Our initiative "*Developing Board Experience*" - developed by the Scottish Government and the Institute of Directors is a key example of this.

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- 76.** The Scottish Government will continue to offer training opportunities tailored to the needs of unemployed people and employers through the Employability Fund as well as to offer financial support to those young people who need it through the Education Maintenance Allowance.
- 77.** Support will be given to the development of Skills Investment Plans for creative industries and construction, alongside the implementation of actions and appropriated reviews of those Skills Investment Plans already published (Energy, Food & Drink, Tourism, Financial Services, Digital, Engineering and Chemical Sciences). Regional Skills Assessments are also now published to improve the understanding of, and response to, labour market needs in different parts of Scotland.

SUPPORTING MODERN APPRENTICES

Modern Apprenticeships offer people aged over 16 the opportunity of paid employment combined with training at different levels. They help people gain skills and nationally recognised qualifications without full-time study and are available across a wide range of industries.

The Scottish Government will work in partnership with Skills Development Scotland, training providers and employers to build on the success of Modern Apprenticeships, including the year on year **expansion of the programme toward the new target of at least 30,000 starts each year by 2020.**

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BOOSTING SCOTTISH COMPETITIVENESS AND INVESTMENT

- 78.** Productivity is the principal long-term driver of economic growth. More productive economies can produce greater quantities of goods and services for a given set of resources, typically leading to higher wages, incomes, living standards and wealth.
- 79.** Action by the Scottish Government has ensured that the productivity gap with the UK has been reduced since devolution, with Scotland now having similar levels of productivity to the UK. However, comparisons to international competitors show Scotland's performance is less favourable both now and over the longer-term. Scotland typically ranks near the top end of the third quartile of Organisation for Economic Co-operation and Development (OECD) countries.
- ### Capital Investment
- 80.** Capital investment, by both the public and private sectors, plays an important role in supporting sustainable economic growth. Investment in transport infrastructure, schools, hospitals and digital infrastructure, as well as providing a short run boost to growth, also generates assets that underpin economic growth over the longer term.
- 81.** The Scottish Government's ability to support capital investment has been challenged in recent years by the cuts to the capital budget implemented by the UK Government. The Scottish Government's core Capital budget will have been cut by around 26 per cent in real terms between 2010-11 and 2015-16.
- 82.** Through, in part, the development of innovative alternative funding models, the Scottish Government has been able to commit to improving Scotland's productive infrastructure through capital spending, and will be supporting more than £11 billion over three years (2013-14 to 2015-16). This investment is being taken forward through a combination of the capital budget, capital receipts, switching resource into capital, the Non-Profit Distributing pipeline, rail investment through Network Rail's Regulatory Asset Base and new borrowing powers that are becoming available in 2015-16.
- 83.** In 2011, the Scottish Government published an updated *Infrastructure Investment Plan* which outlined the reasons for investment, how this will be done, and what strategic, large-scale investments we will take forward within each sector over the next 10 to 20 years. This provides the private sector with greater certainty around the Scottish Government's infrastructure priorities over the longer term. Progress in delivering the Infrastructure Investment Plan is detailed in the *Infrastructure Investment Plan Progress Report for 2013*.

Housing and Transport

- 84.** The Scottish Government is supporting the housebuilding industry's recovery, through our £1.7 billion Affordable Housing Supply Programme. A key priority over the next year is to meet our target of 30,000 new, affordable homes. It is also making creative use of currently available powers and levers to finance and stimulate new housing development through schemes such as Help to Buy (Scotland), the National Housing Trust initiative, Housebuilding Infrastructure Loan Fund and the MI New Home mortgage indemnity scheme.
- 85.** £305 million has been committed to Help to Buy (Scotland), a shared equity scheme which is available for new-build properties only with a maximum value of £250,000. Over 180 housebuilders have registered with the scheme with eight lenders offering mortgages for it. £100 million has already been committed for 2015-16 and the Scottish Government will introduce additional support designed to encourage more purchases through small and medium enterprise developers – spreading support for the economy and house buying more widely across industry and Scotland.
- 86.** The Scottish Government will continue to support the housebuilding industry to increase the supply of new homes for sale and for rent, and will manage the funding for Help to Buy (Scotland) available up to 2015-16 in collaboration with the industry and lenders.
- 87.** Working with the Scottish Futures Trust, local authorities, the housing association sector and the housebuilding industry, the Scottish Government will also further expand innovative financing mechanisms for affordable housing, through the use of loans, guarantees, equity investment and the introduction of successor models to the National Housing Trust initiative. These actions, along with a wide range of other activity, will ensure that the people of Scotland have access to warm, high quality, affordable homes.

HELP TO BUY (SCOTLAND): £30 MILLION SMALL DEVELOPMENTS SUPPORT

The Scottish Government will introduce a new £30 million fund in 2015-16 through Help to Buy (Scotland) to support buyers who wish to purchase a new build property from smaller developments in Scotland. This will be in addition to the £100 million already allocated to Help to Buy in 2015-16. Over 3,700 homes have been purchased through the scheme to date. Many of these purchases have been from large builders, with smaller and medium-sized developers seeing a smaller share of sales. The new support, limited to supporting purchases from smaller developments, is intended to seek a wider spread of organisations buying and selling houses under the scheme – and in turn to encourage further sales across urban, small town and rural Scotland, supporting more people across Scotland to buy new houses.

The desire to see more homes being built across Scotland depends on the participation of the smaller builders. This new fund will aim to encourage more purchases through smaller developers – spreading the benefits of the scheme and house buying more widely across industry and Scotland. The new funding will be available for purchases from 1 April 2015 until 31 March 2016.

- 88.** Investment in transport plays an important role in both connecting communities and increasing sustainable economic growth. Investment in transport infrastructure provides shorter term economic benefits through the investment required during construction, and longer term through increased efficiency in connectivity between economic centres.
- 89.** A programme of improvements is underway on the M8, M73 and M74 motorways, aimed at making road journeys across central Scotland safer, quicker and less congested, thus improving the potential for economic growth. The main contract works are currently underway and are scheduled for completion in Spring 2017, and it is anticipated that the project will create around 1,000 jobs in Scotland, the large majority of which are expected to be filled by local workers.
- 90.** The Aberdeen Western Peripheral Route/ Balmedie-Tipperty is a major transport infrastructure project which will provide substantial benefits across the whole of the North East and will provide a boost to the economy, increase business and tourism opportunities, improve safety, cut congestion and increase opportunities for improvements in public transport facilities. The contract award date and construction start are anticipated later this year, with work scheduled for completion by spring 2018.
- 91.** Investment continues in upgrading the A9 to dual carriageway, which will deliver economic growth through improvements to road safety and journey times as well as providing better links to pedestrian, cycling and public transport facilities, and will also improve access to the many tourism and recreation sites along the route of Scotland's longest trunk road. The overall cost for this project is estimated to be £3 billion.
- 92.** From Summer 2015, the Borders Railway will provide rail services to the Scottish Borders for the first time in over 40 years, which will improve connectivity and reduce travel times to and from Edinburgh.
- 93.** The Scottish Government bought Glasgow Prestwick Airport in November 2013, preventing its closure and safeguarding around 1,400 jobs. We are investing in the airport with a view to ensuring it can generate a long term return for taxpayers. A vision statement was published in October 2014 which lays the foundations for the work that lies ahead to make Prestwick a success.

QUEENSFERRY CROSSING

The Queensferry Crossing is the biggest transport infrastructure project in Scotland for a generation.

It is being built on time and under budget, with completion due by the end of 2016. It is a vital project to the economy of Scotland and is currently employing over 1,000 people on site and benefiting over 365 Scottish firms. The project is currently nearly 50 per cent complete and about 80 per cent of the contractors procurement has been completed. Scottish firms have been awarded subcontracts or supply orders on the project with a total value of about £175 million out of a total of about £437 million (40 per cent).

94. Prestwick can now have a positive future alongside Glasgow and Edinburgh Airports and the Scottish Government will continue to work to encourage new routes to all our airports. Work with Edinburgh Airport has helped secure new routes to Chicago, Philadelphia, and Doha, while a new route to Abu Dhabi has also been announced for 2015. In the coming year the Scottish Government will continue to work to secure other important direct routes to Scotland to increase business connectivity and inbound tourism.

Investment in Digital

95. Digital infrastructure is an increasingly essential feature of a modern productive economy. It is an important driver of innovation, supporting the development of new products and ways of doing business, with potentially profound implications for productivity growth. The Scottish Government is committed to ensuring that Scotland's infrastructure is resilient and provides Scottish businesses with the opportunity to compete and succeed in the digital economy.

96. *Scotland's Digital Future: Infrastructure Action Plan* outlines the Scottish Government's commitment to ensure a world-class, future-proofed infrastructure across the whole of Scotland by 2020. An important step along this road will be the delivery of Next Generation Broadband projects in the Highlands and Islands and Rest of Scotland that together will provide over 95 per cent of premises with access to fibre broadband infrastructure by the end of 2017. These projects involve over £410 million of public and private funding, £284 million of which is from the public sector, and the Scottish Government is committed to providing further investment to extend the benefits of superfast broadband still further.

97. As well as delivering significant economic benefits, investment in digital has a key role in enabling people to engage with Government. More detail on how we will do this is covered in Chapter 5.

DEVELOPING A CYBER-RESILIENT SCOTLAND

The internet is undoubtedly the great enabler of our time; however, criminal exploitation is also growing and technology enables this to be undertaken with great speed, efficiency and stealth.

It is necessary to develop our cyber resilience in order that rich benefits from the digital age can be realised and grown. This is a cross cutting issue, and whilst much is being done across the globe to rise to this challenge, the Scottish Government recognise that there is a need for strong leadership to co-ordinate and advise government, businesses and citizens on how to achieve cyber resilience.

The Scottish Government will consult on a Cyber Resilience Strategy, that will take a positive approach to developing cyber resilience as a digital enabler, confirming Scotland on the world's map as a good and safe place to do business with a robust, resilient infrastructure and a strong informed skilled workforce.

We will provide £500,000 to support cyber resilience including extending our support to the Scottish Business Resilience Centre who have been driving the message of getting the Cyber Basics within the small and medium enterprise market.

A MODERN, INNOVATIVE ECONOMY WITH AN INTERNATIONAL FOCUS

Support for Business

- 98.** Scotland's businesses are the primary drivers of sustainable economic growth, and Scotland is home to many highly successful companies. Scotland has, for example, key strengths in sectors such as food and drink, financial services, energy, life sciences and tourism as well as many other sectors such as advanced manufacturing.
- 99.** The Scottish Government's business rates relief package supports Scotland's position as the best place to do business in the UK reducing business rates taxation by an estimated £594 million for 2014-15 and £618 million for 2015-16. Two in every five business properties across Scotland benefit from zero or reduced rates through the Small Business Bonus Scheme alone, and there remains a commitment to maintaining this scheme for the lifetime of this Parliament and beyond.
- 100.** In contrast with the approach adopted by the UK Government, the Scottish Government has retained Scotland's Enterprise Agencies, with a focus on supporting business development and growth. The Enterprise Agencies provide support for business investment in Scotland through Regional Selective Assistance (RSA), which aims to address regional labour market inequalities which have been a persistent feature of the economy. In 2013-14, Scottish Enterprise had 117 offers of RSA accepted, totalling over £52.5 million. These offers secured planned capital expenditure of over £267 million and are expected to create or safeguard 6,161 jobs.
- 101.** In addition to direct support through the Enterprise Agencies, the Scottish Government is also supporting local authorities in their management and delivery of the Business Gateway service which assists, on average, 10,000 new businesses to start up each year. The Scottish Government and its agencies will continue to support small and medium enterprises, particularly through assistance with access to finance.

SCOTTISH BUSINESS DEVELOPMENT BANK

The Scottish Government is committed to promoting a supportive business environment. We will develop options for a Scottish Business Development Bank, a dedicated Scottish-headquartered structure working directly with small and medium enterprises and the financial markets, including banks, to build and grow the required level of high growth businesses that Scotland needs. The bank will build on the success of the existing Scottish Investment Bank, working alongside our enterprise agencies, and will have innovation and international competitiveness that are key to the growth of Scotland's company base at its core.

102. For example, Scottish Enterprise plan to provide financial readiness assistance across Scotland, to 400-500 companies with growth and export potential in 2014-15. In addition, the Scottish Investment Bank delivers risk capital, co-investing with private sector partners and in 2013-14 invested £32.4 million in a 111 companies, leveraging additional investment of £93.3 million from the private sector. The £113 million Scottish Loan Fund, aimed at growth and exporting companies, has distributed £28.9 million to date to 17 companies.

103. The Scottish Government has also taken action to ensure Scotland has a modern system of debt advice and debt management, one which is designed to balance the rights of those in debt with the needs of creditors and businesses. The Bankruptcy and Debt Advice (Scotland) Act 2014 introduces measures such as a new 'Minimal Asset Process', which offers debt relief quickly and at less than half the price of an application for bankruptcy under the current scheme and makes it compulsory for debtors to receive advice from an approved money adviser before entering bankruptcy.

SCOTTISH BUSINESS PLEDGE

As part of our drive to ensure opportunities for all, and as part of our continuing focus on sustainable economic and company growth, we will introduce a Scottish Business Pledge.

We want to see businesses growing, thriving and being successful. We also want businesses and the public sector to work collaboratively together to work towards full employment and through that help the eradication of poverty, as having a well-paid job is a necessity for removing the scourge of poverty from Scotland.

Therefore, in return for support from the Scottish Government and its agencies such as Scottish Enterprise and Highlands and Islands Enterprise, we will want companies to commit to 'the Scottish approach' by:

- Paying the Living Wage
- Committing to an innovation programme
- Not using zero hours contracts
- Agreeing to pursue international business opportunities
- Making progress on gender balance, for example by committing to the 'Partnership for Change'
- Supporting Invest in Youth
- Supporting workforce engagement and development, and other progressive workplace policies
- Play an active role in the community by, for example, working with local recruitment agencies and job centres.

We will work with other public sector providers of support to businesses to adopt the same approach.

- 104.** Implementation of the Regulatory Reform (Scotland) Act 2014 will improve the way regulation is developed and applied in Scotland, help create a level playing field for business and will provide a more simplified, risk-based approach to environmental protection.
- 105.** The Scottish Government is also taking steps to ensure Scots law is fit for purpose and promotes business and economic growth. The Legal Writings (Counterparts and Delivery) (Scotland) Bill, which is currently being scrutinised by the Scottish Parliament, will enable parties to get their documents legally signed and exchanged without meeting at the same place, as is often the case at present. The provisions will bring benefits to all parties in any transaction where there are multiple participants. It has been widely welcomed by stakeholders as it removes a practical barrier to the use of Scots law in transactions.

Support for Social Enterprise

- 106.** Scotland has a long history of developing models of business for social good. Today, social enterprises continue to play a role in the economy and have a huge impact on communities all over Scotland.
- 107.** Social enterprises are businesses that trade for the common good. They tackle social problems, strengthen communities, improve people's life chances, or protect the environment. An enterprising third sector is a vital partner in our economy, in civic society and in creating a fairer and more inclusive Scotland. The sector is essential to the design and delivery of public services, and to helping us find innovative solutions to the challenges which face our society.
- 108.** The strong political and economic support for social enterprise in Scotland has created a comprehensive and effective system of support which is considered to be world-leading, and has allowed us demonstrate international leadership.

PROCUREMENT

The Scottish Model of Procurement puts procurement at the heart of Scotland's economic recovery. It sees procurement as an integral part of policy development and service delivery. It focuses on outcomes not outputs, and uses the power of public spend to deliver genuine public value beyond simply cost or quality in purchasing.

The Procurement Reform (Scotland) Act 2014 will allow us to maximise the economic benefit brought to Scotland from effective and efficient public procurement activity. Taken together, implementation of the Act and the transposition of the new EU Procurement Directives, will provide a sound regulatory framework around the Scottish Model of Procurement, simplifying, standardising and streamlining procedures for the public, private and third sectors alike; and placing sustainable and socially responsible purchasing at the heart of the process.

The Act builds on the work achieved so far in the reform of public procurement in Scotland. It will establish the laws regarding sustainable public procurement, and allow us to maximise the economic benefit brought to Scotland from effective and efficient public procurement activity.

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Enterprise, Innovation and research

109. Innovation is a fundamental driver of sustainable economic growth. Scotland has significant strengths in this area, with Scotland's higher education R&D expenditure (as a share of GDP) ranking as 4th highest in the OECD. In terms of universities in the global top 200 per head of population, Scotland is ranked second (behind Switzerland), and has key strengths in areas such as life sciences. However, business expenditure on R&D and total expenditure on R&D in Scotland, as a share of GDP, are both significantly below the EU and OECD averages. Building on Scotland's strengths to improve our overall innovation performance, and encouraging Scotland's entrepreneurial culture, are therefore central to improving sustainable economic growth in Scotland.

110. The Scottish Government is continuing to support and develop a culture of entrepreneurial ambition in Scotland. In April 2014, we published the *Scotland CAN DO: Action Framework*, building on *Scotland CAN DO: Becoming a World-leading Entrepreneurial and Innovative Nation* published in November 2013. This set out the Scottish Government's vision and ambition for Scotland to become a world-leading entrepreneurial and innovative nation. Work arising from this will drive an increase in entrepreneurship and innovation activity from individuals and businesses in Scotland resulting in more businesses being formed and new products and services from existing businesses.

SUPPORTING SCOTTISH INNOVATION

The Scottish Government will support innovation through:

- Building on the successful creation of Scotland's first eight Innovation Centres by supporting the Centres to work together on industrial and societal challenges through a £1 million Innovation Challenge Fund. This will call for action across more than one industry sector stimulating multiple Centres to draw collaboratively on the expertise of our world-leading universities and other stakeholders to bring innovative, industry focused solutions to market to benefit the people and economy of Scotland. The Royal Society of Edinburgh is leading a Scotland delegation to China in December 2014 to discuss future collaboration in science and innovation showcasing the Stratified Medicine, Sensors and Imaging Systems and Industrial Biotechnology Innovation Centres.
- Promoting collaboration by establishing a new Ministerial-led Innovation Forum, bringing together private, public and third sectors, which will have a pivotal role in integrating Scotland's innovation system, focusing on driving forward business innovation growth, developing new approaches to tackling societal challenges, supporting collaboration between industry and academia, and building capacity in emerging technologies. This will build on the work of the Innovation Scotland Forum.
- Boosting the business innovation journey for Scottish companies and enabling many more businesses to use innovation to accelerate their growth. We will work to develop a strong drive for growth across Scottish industry and ensure ambitious companies can access a seamless and intensive set of bespoke, practical support mechanisms to embed innovation in their business and rise to the challenge of making innovation and internationalisation central to Scotland's business base.
- Working with the private and third sectors, our economic agencies and local government, through Business Gateway, to support a greater culture of innovation and commercialisation amongst Scottish companies, which will build on and develop the implementation of our framework for innovation and entrepreneurship, Scotland CAN DO, which highlights Scotland's ambition and determination to be a more innovative nation.
- Building on our participation in novel European partnerships such as the Vanguard Initiative, we will pursue deeper alignment with European innovation policy and funding, and increase our European collaborations around key areas of innovation specialisation.
- We will support international collaboration by piloting Innovation and Investment Hubs at key global locations. These will be tasked with securing research and innovation partners, investors in Scottish innovation, and build on established exporting and inward investment expertise. The Hubs will provide a focus for Scottish companies or universities needing presence in a country, capital or continent, including ensuring links to our network of Innovation Centres.

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111. The Scottish Funding Council is supporting the network of Innovation Centres through an investment of £124 million over six years. The first three Innovation Centres were launched in April 2013 and a further five in 2014 collectively spanning across Stratified Medicine, Sensors and Imaging Systems, Digital Health, Industrial Biotechnology, Oil and Gas, Big Data, Construction and Aquaculture. The centres are collaborations between universities and business to enhance innovation in Scotland's key economic sectors. These centres will ensure that Scotland continues to be a pioneer in life sciences, innovative technology, ideas and development and have the potential to create up to 5,000 jobs in their first five years.

112. The Scottish Government supports innovation and entrepreneurship directly through the SMART: SCOTLAND programme, to which £45 million annual expenditure has been committed in each year of the spending review to support a range of innovation and entrepreneurship activities, and also through a variety of public sector organisations, such as Scottish Enterprise, Highlands and Islands Enterprise and Local Authorities. These offer a range of products to micro, small, medium and large businesses to encourage increased growth, provide access to new markets, improve productivity and help with the development of new products and the adoption of new technologies.

Internationalisation

113. Encouraging a greater international focus among Scottish businesses is a fundamental part of rebalancing of the Scottish economy, and delivering sustainable economic growth over the longer term. With this in mind, the Scottish Government has set an ambitious target for export growth, to increase the value of international non-oil and gas exports by 50 per cent by 2017.

AN INTERNATIONAL APPROACH

Scotland already punches well above its weight on the international stage. Our profile has never been higher following events of 2014, and our foreign direct investment track record remains strong.

Through major events like the Commonwealth Games, we have seen positive changes in how partnerships across the public sector – and the private sector – can work. Clear, ambitious, and shared outcomes motivate and galvanize. Community Planning Partnerships are seeing this starting to take root across local communities in Scotland, and we will seize this opportunity to apply a similar approach to Scotland on the world stage.

We will establish One Scotland partnerships, which not only set out clear trade and innovation goals for specific international markets, but consider the opportunities for the wider public sector, business, industry, universities, Innovation Scotland and the Innovation Centres, NGOs and Scotland's international communities and diaspora to contribute to their delivery.

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- 114.** According to the most recent Global Connections Survey, Scottish international exports (excluding oil and gas) increased from £24.6 billion in 2011 to £26 billion in 2012. This represented a 5.9 per cent increase between 2011 and 2012, and an increase of 14 per cent from 2010's value of £22.8 billion.
- 115.** This is being supported by a range of policies overseen and delivered by Scottish Development International (SDI). In 2013-14 SDI had supported more than 2,700 companies through a range of trade activities, such as workshops, trade missions and in-market support, which represented an increase of 32 per cent on 2012-13.
- 116.** SDI also worked with 228 companies on significant new international projects with a projected growth of £1.2 billion in sales over the next three years. This is up from the £818 million that was achieved through the same activity last year. SDI has a network of 28 overseas offices which, along with Scottish Affairs Offices in Washington, Beijing, Brussels and Toronto, promote Scotland across the world, and SDI has increased its overseas footprint in key markets including China, India, Brazil and the Middle East.
- 117.** Through our work with the EU, we can contribute to increased competitiveness and economic growth. In keeping with the priorities of the Government Economic Strategy, we must ensure that the benefits of growth and competitiveness are experienced by all citizens of the European Union.
- 118.** The Scottish Government is also committed to continuing to build on Scotland's strong inward investment record. Planned inward investment from projects announced in 2013-14 amounts to around £423 million, creating or safeguarding 7,446 planned jobs in Scotland. Ernst & Young report that Scotland has consolidated its position as the UK's biggest foreign direct investment region outside London. Scotland ranks second in the UK (after London) on projects and third on FDI jobs created.
- 119.** Scotland's oil and gas sector is a good example of successful internationalisation. The industry supply chain provides world-leading goods and services both domestically and overseas. North Sea operators rely on an extensive supply chain of companies in both Scotland and the rest of the UK. These companies make a substantial contribution to the economy. Analysis by Ernst & Young in 2014 estimated that the UK oil and gas supply chain generated more than £35 billion of turnover in 2012.
- 120.** The evidence also shows that companies are increasingly diversifying into other markets. Analysis by Scottish Enterprise has found that international sales by the Scottish oil and gas supply chain grew by 22 per cent. International activity now accounts for over half (50.2 per cent) of total oil and gas supply chain sales from Scotland.

121. While the sector faces a number of challenges, the implementation of the Wood Review and the reforms being considered as part of the Oil and Gas Fiscal review are designed to ensure that the North Sea remains a competitive place for investment. The Scottish Government appointed an independent Expert Commission on Oil and Gas in September 2013. The Group reported in July 2014 and made specific proposals in relation to the North Sea fiscal and regulatory regime with a view to providing long-term stability and predictability for the industry. These recommendations are currently under consideration and will inform future policy.

Transition to a Low Carbon Economy

122. The Scottish Government is committed to growing the low carbon economy in Scotland, characterised by high levels of resource efficiency and the development of the low carbon goods, processes and services which can generate economic wealth and create jobs for Scotland. We also remain committed to the achievement of Scotland's energy ambition, which is to be a world leader in sustainable energy production and use so that we are a leading location for investment in the low carbon economy.

123. Our draft Heat Generation Policy Statement sets out our approach to decarbonising our heat system and a framework for investment in a low carbon heat sector. Accounting for over half of Scotland's total energy use and with an estimated £2.6 billion a year spent on heating by households and the non-domestic sector, reducing the cost of providing heat and its associated carbon emissions is a major priority for the Scottish Government as well as maximizing what will be a substantial low carbon economic opportunity for Scotland.

124. To capitalise on this and increase the level of low carbon investment and supply chain opportunities in Scotland in district heating, non-domestic and industrial energy efficiency and renewable infrastructure projects, we are establishing the Low Carbon Infrastructure Programme in 2015, a Scotland-wide, cross sector project development unit, to support the development and acceleration of low carbon infrastructure projects to investment readiness stage.

125. Audit Scotland's report on Renewable Energy (published September 2013) recognises the strong leadership shown by the Scottish Government in promoting renewable energy development in Scotland, with over £209 million support over the previous 11 years.

126. The Scottish Government will continue to build on Scotland's position as a leading centre for investment in offshore wind technology and at the cutting edge of developments in marine energy. Working with partners, the Scottish Government will help to stimulate the offshore renewables supply chain, and will help to cut the cost of offshore wind by at least 10 per cent through a £2.2 million investment in the Offshore Wind Accelerator programme.

127. Additional support is being provided for the marine sector through the Marine Renewables Commercialisation Fund, facilitating the development of the first marine energy arrays in Scotland while reducing the cost and risk of the technology. The funding will continue to help build Scotland's marine energy industry, bringing important socio-economic benefits to remote and coastal areas of Scotland.

- 128.** Following extensive public consultation, Scottish Planning Policy set out an approach which will help identify the best places for wind farms and provide guidance on policies for considering wind farm proposals in the planning process.
- 129.** Over £24 million has been offered to date through our flagship Community and Renewable Energy Scheme (CARES) to support community and local renewables projects. £9 million was invested in 2013-14 through the Renewable Energy Investment Fund, focusing on supporting communities to develop their own local renewable projects and invest in commercial schemes, and on supporting wave and tidal developers with the development and deployment of array projects.
- 130.** The Scottish Government is committed to establishing a successful wave energy industry here in Scotland. In November 2014, the Scottish Government announced 'Wave Energy Scotland', a new body for wave energy technology development to encourage innovation in the industry. 'Wave Energy Scotland' will bring together the best engineering and academic minds to collaborate in a research and development programme to accelerate wave technology further. In addition, our Array Technology Innovation programme, part of the Marine Renewables Commercialisation Fund (MRCF) innovation support continues to fund the enabling technologies that are crucial to the success of the first wave and tidal arrays.

COMMUNITY ENERGY EMPOWERMENT

We are defining a distinctive approach to Scotland's future energy provision, putting communities at the heart of decisions about their local energy system, and empowering them to take an economic stake in new developments. This is the chance to transform energy ownership in Scotland and move it into the hands of the Scottish people, supporting the development of strong, confident, cohesive communities across rural and urban Scotland.

The Scottish Government's Community Energy Policy Statement consultation took place this summer and has confirmed the need to build on existing schemes with further tailored support to empower communities to make the most of the energy opportunities on their doorsteps.

Our new programme of Community Energy Empowerment in Scotland will bolster support already available through the established Community and Renewable Energy Scheme (CARES) and the Renewable Energy Investment Fund (REIF). In 2015, the CARES Local Energy Challenge Fund will finance the demonstration of innovative local energy projects across Scotland. And a new **Local Energy Investment Fund** will be piloted under REIF which will make early investment in energy projects on *behalf* of communities, who will then have time and support to consider buying in. Any unclaimed equity in the Local Energy Investment Fund will be used to support further direct community ownership of energy projects and measures targeted at reducing fuel poverty.

We are working to secure the cooperation of energy developers to offer a stake in new developments to communities as a matter of course. This should be the standard. Developers who apply best practice and offer a community share will be highlighted on our Public Register of Community Benefits and opportunities for investment will be promoted through our new CARES Partnership Portal.

- 131.** The Scottish Government launched the Home Energy Efficiency Programmes for Scotland (HEEPS) in April 2013, and fully allocated £79 million of HEEPS funding for 2014-15. Underpinned by HEEPS, between January 2013 to March 2014, 88,676 energy efficiency measures were delivered in Scotland.
- 132.** In October 2013, the Scottish Government published *Safeguarding Scotland's Resources*, a blueprint for a more resource efficient and circular economy. This aims to keep materials in high value use for as long as possible, using them to regenerate new products and materials at the end of their life, which in turn creates new opportunities for green jobs in areas like design, remanufacturing, repair and reprocessing.
- 133.** A long-term target was introduced to cut all waste by 15 per cent by 2025 and which complements the existing Zero Waste Plan targets to recycle all waste by 70 per cent by 2025. A *Resource Efficiency Pledge* was also introduced in April 2014 for businesses to make a public commitment to cutting waste and using resources efficiently. Working with COSLA, a Zero Waste Taskforce has been established to explore how local authorities might best take advantage of the potential economic opportunities that would arise from a transition from waste management to resource efficiency and a circular economy, reflecting an ambitious agenda at EU level.

CLIMATE CHANGE

Climate change is one of the most serious threats facing the world, and the Scottish Government is committed to taking a leading role in rising to this challenge, both at home and internationally.

The Scottish Government will continue to lead work to support the delivery and achievement of the world-leading Scottish climate change targets. The Cabinet Sub-Committee on Climate Change has been established, and will ensure Climate Change policy is given the highest priority across all Government objectives.

The Scottish Government has ensured delivery of the Sustainable Action Fund (SAF), including the flagship Climate Challenge Fund which has made available over £60 million, since 2008 to influence low carbon behaviours across Scotland.

The Scottish Government has doubled Hydro Nation funding for the innovative Climate Justice Fund to £6 million. The first £3 million is supporting five water adaptation projects in Malawi and Zambia. The second £3 million will support six projects in Malawi, Zambia, Tanzania and Rwanda. We will be addressing specific climate justice principles through a human-rights-based approach, and so delivering climate resilience, strengthening civic society and alleviating poverty.

We will maintain a capital investment programme of around £500 million per year enabling Scottish Water to further improve services to customers whilst holding customer charges below inflation. Through our Hydro Nation programme of activity we will develop the value of Scotland's water resources and support sustainable economic growth.

134. The Scottish Government is sceptical of, and strongly endorses the robust regulation of, onshore drilling techniques associated with the extraction of shale gas, such as fracking. The Scottish Government approach is underpinned by the principle that the highest levels of environmental protection must be enforced. The Scottish Government has strengthened Scottish Planning Policy in relation to onshore unconventional gas activities through the introduction of buffer zones and additional risk assessments; and Ministers will bring forward further guidance to empower potentially affected communities, ensuring that the views of local communities are taken into account. This will deliver rigorous scrutiny and regulation; strengthen monitoring; and will be particularly directed at any proposals which involve hydraulic fracturing.

IMPLEMENTING SCOTLAND'S TAX POWERS

- 135.** The Scottish Government is working within the current constitutional settlement to deliver a tax system better suited to Scotland's needs, and we will be pressing for additional powers in this area in the coming year. In developing the newly devolved taxes, the Scottish Government has worked in a participative way with key stakeholders.
- 136.** Following the passage of the Scotland Act 2012, the Scottish Parliament now has responsibility for administering taxes to replace the UK Stamp Duty Land and Landfill Taxes. The devolved taxes are the *Land and Buildings Transaction Tax* and *Scottish Landfill Tax*. These will take effect from 1 April 2015, with Revenue Scotland being the tax authority for the administration of Scotland's devolved taxes.
- 137.** The Scottish Fiscal Commission is an important part of Scotland's fiscal framework and will initially support the exercise of the tax powers devolved under the Scotland Act 2012. The Commission provides Parliament and the public with independent assurance over the reasonableness and integrity of forecast revenues from the two new Scottish taxes, Land and Buildings Transaction Tax and Scottish Landfill Tax, and the economic factors which underpin forecast receipts from non-domestic rates. The Scottish Government intends that the Commission's scope will expand in line with the Parliament's tax-raising and borrowing powers.

FURTHER DEVELOPMENT OF THE SCOTTISH FISCAL COMMISSION

The Scottish Fiscal Commission currently operates on a non-statutory basis. We will develop legislation to put the Commission on a statutory footing, and it is intended that such a Bill would allow for the functions and duties of the Commission to be reviewed and expanded in future.

The Scottish Government proposes that the remit of the Scottish Fiscal Commission should expand to reflect any new fiscal powers devolved to the Scottish Parliament.

REVENUE SCOTLAND

Revenue Scotland will be the tax authority responsible for the administration of Scotland's devolved taxes. In the first instance, it will focus on administration of Land and Buildings Transaction Tax and Scottish Landfill Tax. It will work closely with Registers of Scotland to prepare for the Land and Buildings Transaction Tax and with the Scottish Environment Protection Agency on the Scottish Landfill Tax.

Revenue Scotland was set up as an administrative unit of the Scottish Government in 2012. In 2015, in line with international good practice it will have been established in statute as part of the Scottish Administration and will therefore be accountable to Parliament. The Act also provides powers which will enable Revenue Scotland to take robust action to counteract tax avoidance arrangements. The Act sends a strong signal that tax avoidance will not be tolerated in Scotland.

The Land and Buildings Transaction Tax will be more progressive and proportionate to the taxpayer's ability to pay than the UK tax it replaces, and will remove distortions that currently exist in the housing market as a result of the slab structure of Stamp Duty Land Tax. The new tax is also better aligned to Scots law and practice and has been widely welcomed by key stakeholders.

The replacement Scottish Landfill Tax will empower the tax authority to charge tax on people who make unauthorised disposals, and will involve Scottish Environment Protection Agency staff in compliance work, bringing together environmental and tax compliance. The replacement landfill tax provides Scottish Ministers with additional flexibility, for example in setting extra tax bands and specific exemptions, in order to better align the tax to the waste sector and resource markets as we approach our Zero Waste goals and the Waste (Scotland) Regulations 2012 take effect. Ministers intend to use powers in the landfill tax legislation to enhance provision to those communities affected by their proximity to a landfill site, through the communities fund.

Guidance on Land and Buildings Transaction Tax and Scottish Landfill Tax will be added to Revenue Scotland's website in phases, alongside tax calculators to assist in the calculation of these taxes. All of this material will be available well before 1 April 2015 and agents dealing with taxes will also be able to sign up in advance to use the new system.

The Scottish Government's proposals for rates for the devolved taxes were announced to the Scottish Parliament on 9 October as part of the 2015-16 Draft Budget. The proposed tax rates are now subject to consultation and parliamentary scrutiny through the Draft Budget process, led by the Finance Committee of the Scottish Parliament.

AN ECONOMY THAT DELIVERS FOR ALL OF SCOTLAND

138. Our economic strategy guides the public sector in Scotland's efforts to support sustainable economic growth for the long term, and deliver the Scottish Government's Purpose. As it makes clear, the Scottish Government is focused, not just on growth, but on the nature of that growth. The environmental sustainability of economic growth and how it is shared across society are not only important objectives in their own right, but are themselves important drivers of the type of growth that the Scottish Government supports.

139. Improving the social, health, environmental and economic opportunities for all of Scotland are important dimensions of improving Scotland's long-term economic performance. As the Scottish economy continues to recover and strengthen, it is important that growth helps reduce inequalities and allows everyone – not just those close to the labour market – to realise their potential; that it reduces disparities between different parts of Scotland; and that it is sustainable and resilient.

LOCAL GOVERNMENT REVENUES AND LOCAL TAXATION

In our 2011 manifesto, we committed to “consult with others to produce a fairer system based on ability to pay to replace the Council Tax” and to “put this to the people at the next election, by which time Scotland will have more powers over income tax”. Local Government currently collects over £4.5 billion from local taxes to support local services, including over £1.9 billion from Council Tax which is paid by over 2 million households.

We will deliver on our manifesto commitment which confirms our Scottish approach to taxation of placing great importance on collaborative tax policy development. We will also ensure our approach to local taxation embraces the established taxation principles of efficiency, convenience, certainty and of being proportionate to the taxpayer's ability to pay.

The Scottish Government will invite our local authority partners to work with us to convene an independent commission to examine alternatives to the existing Council Tax system that would deliver a fairer system of local taxation to support the funding of services delivered by local government. We will seek the involvement of all political parties in this commission which will commence in early 2015 and report in the Autumn.

In conducting its work, we will expect the Commission to engage with communities across Scotland to assess public perceptions of the emerging findings and to reflect this evidence in its final analysis and recommendations.

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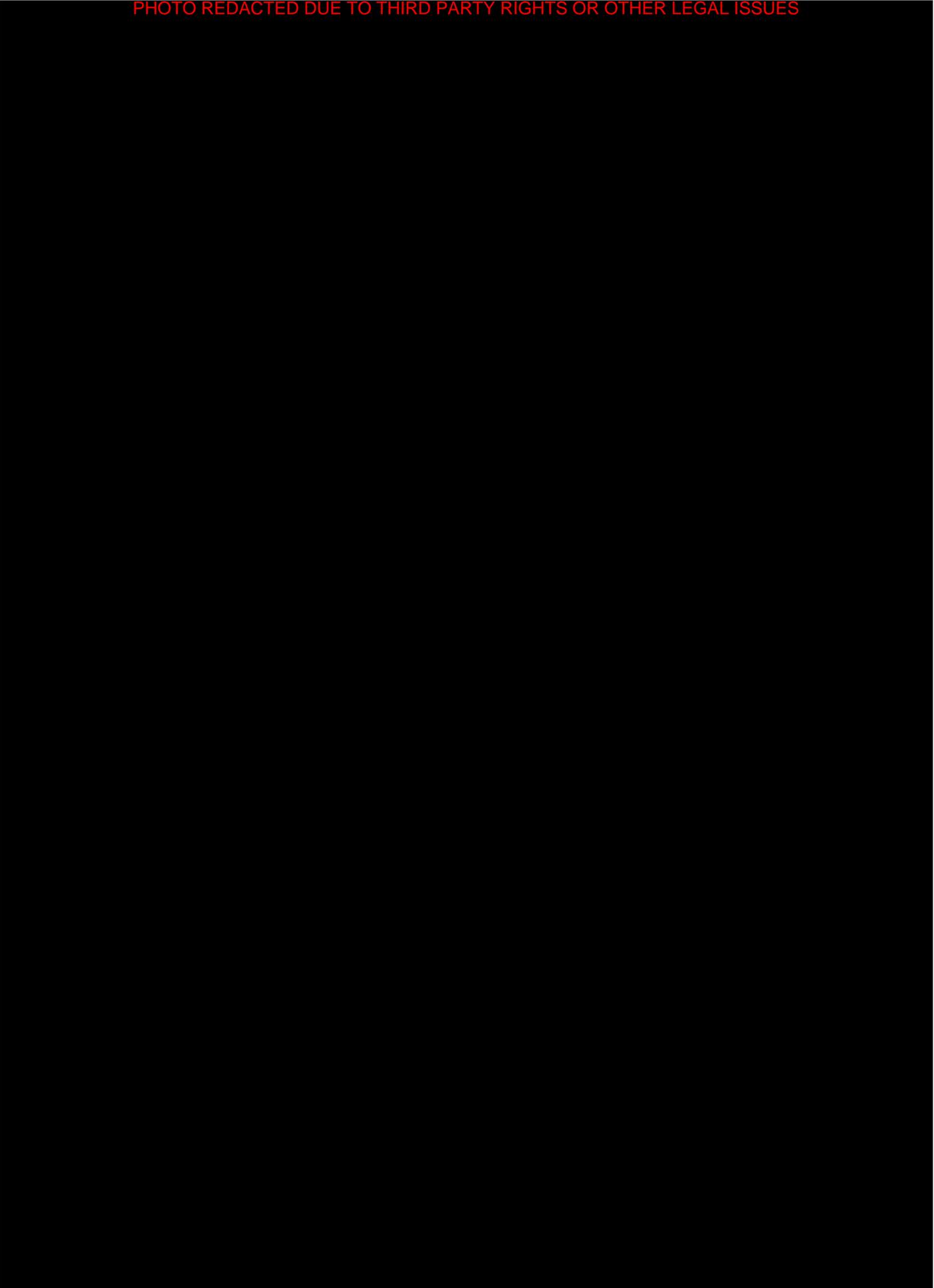
140. The work laid out in this Programme for Government will be supported by this year's Budget, and should be read in conjunction with this. We will use Scotland's budget to support an investment-led recovery, create jobs, boost housing, continue progress towards a low carbon economy, provide record numbers

of apprenticeships, support small businesses and social enterprises, deliver free higher education and protect household incomes through the social wage and the continuing Council Tax freeze. We will continue to work on our shared priorities with our local government and across civic society to deliver a better Scotland for us all.

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.

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CHAPTER 4

A FAIRER SCOTLAND, REDUCING INEQUALITIES

- 141.** There remains a significant problem of poverty in Scotland which will need to be addressed in order to make our country a fairer, more equal place. There are particular challenges around social mobility and people who are unable to access opportunities or who may be excluded. Poverty can persist across generations, and as some in our society become richer, others are being left behind.
- 142.** Poverty is a human rights issue. It represents a failure to fulfil the right to an adequate standard of living that is established in international human rights law. Other rights, like the right to education, to health and to adequate housing, are also affected by poverty.
- 143.** The 'austerity' response to the economic recession of 2008 has done much to deepen the problem of poverty in Scotland. Changes to the welfare system, cuts in public spending and rising costs of living have all combined to push more people into poverty. Children, disabled people, women and older people have been disproportionately affected.
- 144.** The Scottish Government seeks to provide opportunities for all to flourish and is determined to remove the barriers which prevent people from reaching their full potential. These barriers go beyond income inequality to include issues of disadvantage, prejudice and discrimination. These can affect outcomes for people specifically in relation to employment and health – closing the gap in these inequalities is an important priority for this government.
- 145.** The Scottish Government has already had considerable success in protecting the services disproportionately relied upon by the most vulnerable in society, for example by protecting NHSScotland from the damaging reforms seen elsewhere in the UK. The Scottish Government has also acted to the limits of its powers in order to mitigate some of the welfare reforms which are adversely affecting so many people.

EDUCATION AND LIFELONG LEARNING

- 146.** Education can draw out of each generation the very best that they have to give to their society and to themselves. The Scottish Government is supporting children in their earliest years to make Scotland the best place in the world to grow up. Giving children opportunities for learning and development in the early years can make a huge difference for the rest of their lives. The Scottish Government remains committed to Scotland's longstanding tradition of free education. We have extended free early learning and childcare backed by a dedicated and exceptional teaching workforce. However, more needs to be done.
- 147.** In the past year, the Scottish Government has delivered a number of achievements in this area. We have:
- Ensured that the Early Years Collaborative, the world's first national, multi-agency quality improvement collaborative, is now working across Scotland to give children the best start in life.
 - Invested £1 million in our Play, Talk, Read campaign.
 - Published national Child Protection guidance for practitioners.
 - Invested £15 million in 2013-14 through our Third Sector Early Intervention Fund and Strategic Funding Partnership to improve outcomes for children, families and communities.
 - Ensured record highs in the number of school leavers achieving sustained positive destinations: 90 per cent in March 2014.
 - Established a shared commitment with local government which has halted the decline in teacher numbers and ensured stability in our teaching workforce, lowering teacher unemployment to monthly levels below those in each of the last nine years.

- Delivered 116,399 funded Full Time Equivalent places in Scotland's colleges in the academic year 2012-13.
- Ensured outcome agreements are in place with each college and university for the third year in succession, improving accountability and transparency for our £1.6 billion public investment.
- Continued to make good on our commitment to restore free higher education - benefiting over 120,000 students, and saving them up to £27,000 compared with the cost of studying in England.
- Delivered on the commitment to give the poorest students a minimum income of £7,250 per year in maintenance support from academic year 2013-14; increasing to £7,500 in 2014-15.

Early Years

- 148.** Our shared vision is to make Scotland the best place in the world to grow up in by improving outcomes and reducing inequalities for all babies, children, mothers, fathers and families across Scotland to ensure that all children have the best start in life and are ready to succeed.
- 149.** Life chances begin to be determined before we are born, and are shaped before children enter formal education at age three. The arguments, economic as well as social, for investment in the early years are well supported by a wealth of evidence. Intervention in the early years is crucial to reduce inequality in Scotland and break the cycle of poverty, poor health and poor attainment.

150. We will continue to support the *Early Years Collaborative*, a coalition of Community Planning Partners, including social services, health, education, police and third sector professionals committed to ensuring that every baby, child, mother, father and family in Scotland has access to the best support available.

151. As part of a wider financial package announced in January 2014 to help support families with young children, £70.5 million revenue funding has been committed over two years to provide Primary 1 to Primary 3 children in Scotland with the option of a free meal in school from January 2015, improving health and wellbeing, increasing attainment and saving families at least £330 a year for each child.

Schools

152. Against every main measure, Scottish education is getting better. We have record exam results; record high number of school leavers in positive destinations; and, since 2007, we have halted our decline in the PISA league tables and reinforced Scotland's international standing in education.

153. Teaching Scotland's Future which will equip our workforce with the necessary skills, Getting it Right for Every Child and Developing Scotland's Young Workforce are all important developments. Together, they are creating expectations for our young people. They are teaching them about their potential and transforming lives.

154. But we are clear that we must do more. Improving school attainment for all and closing the attainment gap will be a priority. To do that we must address the inequalities which still exist within our system. We are already committed to action including:

- A new Scottish College of Educational Leadership has been established to provide a forum for networking, sharing best practice and promoting routes to becoming a head teacher.
- Literacy and numeracy hubs have been developed to promote excellence across the country and support improvement.
- A new evidence-based, web resource for schools to support their parental engagement strategies, particularly engaging with families living in deprived areas. A refreshed ParentZone website to improve the information provided to parents is currently being developed.
- Insight is a new online benchmarking tool which went live in September 2014 to help bring about improvements for pupils in the senior phase. It is being used to identify areas of success and where improvements can be made.
- The Self-Improving Schools Partnership Programme is continuing to facilitate partnerships within and across schools and local authorities.
- Raising Attainment for All was launched in June 2014. Twelve Local Authorities and over 150 schools across Scotland are part of this quality improvement community. This work aims to support consistent improvement in attainment and achievement.

SCHOOL ATTAINMENT

We know that there is untapped potential in many of Scotland's children and young people and we must provide the support, the opportunities and the right environment for our young citizens to flourish and thrive. That's why, in the year ahead, we will **support schools** by bringing a sharp focus to the need for improvement in educational attainment. We will:

- Introduce a *Read, Write, Count* literacy and numeracy campaign aimed at Primary 1 to 3 children which will build on the success of the *Play, Talk, Read* campaign in the early years. Literacy and numeracy form the basis for all learning, and through this campaign, every child in Scotland will have access to a library of suitable books and educational materials which will, in turn, impact on their literacy and numeracy development. Sessions to support parents will be run locally to build a bridge between school and home. There will be a particular focus on investment in our most deprived communities.
- Education Scotland, our national improvement and inspection agency for education, will put in place an Attainment Advisor for each Local Authority, who will reach into every learning community in Scotland to build capacity in our schools. These Advisors will be aligned with local improvement activity, creating local and national networks in agreement with local partners and an agile model of system led improvement. This will build on the work already underway but represents a step change in terms of increased intensity and priority. This, together with the work on the review of inspection and on the development of the next edition of *How Good is Our School* will shine a spotlight on the issues around attainment in our schools and beyond. This will ensure that we have a clear understanding of the issues and when, and where, outcomes are improving.
- Continue to support improvement in the learning and teaching of Science, Technology, Engineering and Mathematics in schools, with a particular focus on primary schools, as well as continuing to create the conditions to enable all young people to have the opportunity to learn two languages in addition to their mother tongue (the '1+2 model') by 2020. This learning has intrinsic value, but will also equip children and young people with the skills needed to contribute to a thriving economy and to communicate better as global citizens.
- Maintain a strong support for Gaelic, through support for Gaelic education, Gaelic broadcasting and Gaelic arts. The Scottish Government recognises that the only way to create a secure future for Gaelic in Scotland will be by increasing the numbers of those learning, speaking and using the language, and Gaelic education in particular has a key role in achieving this aim.
- Invest in world class learning environments. By March 2018 the Scottish Government's £1.8 billion Schools for the Future Programme will see the construction of 91 new schools. We are now investing in a further phase of the Programme which will see well in excess of 100 schools being built for over 60,000 pupils by March 2020. These inspirational learning environments - tailored to delivering Curriculum for Excellence - will be built in every part of Scotland in partnership with local authorities and will be used by schools and communities alike.

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- 155.** An **Education Bill** will be introduced, aimed at improving children's rights, how investigations are carried out in schools and educational establishments, and Gaelic education.
- 156.** The Scottish Government will maintain its strong support for Gaelic, through support for Gaelic education, MG ALBA (Gaelic television) and Gaelic arts. This has created a successful sector in Scottish education, has transformed the broadcasting landscape in Scotland and encouraged a minority community to have a significant impact on Scottish cultural life.
- 157.** The Scottish Government recognises that the only way to create a secure future for Gaelic in Scotland will be by increasing the numbers of those learning, speaking and using the language, and Gaelic education has a key role in achieving this aim. There has been encouraging growth in Gaelic early years and primary in some areas and the 2011 Census recorded an increase in the numbers of young people between the ages of 3-19 who speak Gaelic.

EDUCATION BILL

The Education Bill will further progress the Scottish Government's support for Gaelic education and its commitment to recognising, respecting and promoting children's and parental rights.

Specifically, the Bill will:

- Extend children's rights within existing additional support for learning legislation.
- Enhance the process for complaints made to Ministers under section 70 of the Education (Scotland) Act 1980 by introducing statutory timescales which must be met by those involved in that process.
- Make provision on entitlement to, and promotion of, Gaelic medium education in schools.
- Ensure that all teachers within Independent schools and grant aided special schools are registered through the General Teaching Council for Scotland.
- Make other technical amendments with regards to kinship care and provisions for school food and drink to ensure clarity and simplicity.

158. The Scottish Government will inspire and engage children and young people through:

- Extending the work already underway to deliver a children's summit into a year-long campaign to bring the voices of children and young people to bear in decisions which affect the provision of education and other services. This will encourage civic participation and will ensure that Community Empowerment is a part of the formative experience of children and young people in Scotland.
- 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. This will help children develop high aspirations and increase their awareness of potential careers, with a clear link to widening access to Higher Education.

159. We will support parents and communities through a programme of activity to better engage parents in their children's learning. This includes:

- The redesign of *Parentzone* to provide parents with all relevant information about their child's school and how to support their child's education.
- Support for schools to develop effective parental engagement strategies through the launch of a web based resource.

CURRICULUM FOR EXCELLENCE

The Curriculum for Excellence is Scotland's national approach to learning and teaching for young people. It is taking Scottish system in a different direction from other systems in the UK, and through it children are being provided with both knowledge and, crucially, with the capacity to acquire knowledge and to think, learn and re-learn.

The Scottish Government will continue to work closely with teachers to provide the support they need to deliver Curriculum for Excellence with confidence. This includes progressing recommendations made in *Teaching Scotland's Future* and improving leadership across the education system, including through the establishment and on-going support for the Scottish College for Educational Leadership and the development of a new qualification for Headship.

Further and Higher Education

160. Scotland has a world-class higher education sector, and the Scottish Government believes that education should be within the reach of all, and that educational opportunity should always be based on the ability to learn, not the ability to pay. Therefore, in contrast to other parts of the UK, Ministers have maintained their commitment to free tuition for Scottish-domiciled students, and are providing the poorest students with a minimum income guarantee of £7,250 in 2013-14 rising to £7,500 per annum in 2014-15.

161. We want a cohesive education system which provides young people with a variety of routes to a positive future. However, too often students from poorer backgrounds are unable to secure the opportunities presented by going to university. Alongside our work to provide high quality vocational education and training, we will introduce new, additional support to take action to ensure those from less privileged backgrounds have a fair chance of accessing the higher education and developing the skills they need to support needed to succeed in their chosen careers and fulfil their potential.

WIDENING ACCESS TO HIGHER EDUCATION

One of the essential outcomes the Scottish Government expects from our support for further and higher education is an increase in the number of Scots from disadvantaged backgrounds accessing higher education as one of a number of routes into sustainable employment. As part of that, we want every child – whatever their background – to have not just a better chance but an equal chance of attending university.

In line with that vision, we also intend to introduce a target for participation in higher education to drive further and faster progress and to support more extensive, effective and creative collaborations between our schools, colleges and universities to improve attainment and widen access. Colleges provide a key route into higher education, particularly for students from disadvantaged areas or backgrounds, but more needs to be done to ensure that the doors of all our universities are open to everyone.

We recognise this is a complex issue to address and we will set ourselves an ambitious goal. We are therefore setting up a Commission on Widening Access to advise on meaningful milestones, and targets and activities that will assist in accelerating progress and to tell us when more action is required to realise our vision. Although the primary focus is on improved access and qualification outcomes in higher education, the entire education system has a role to play and will be challenged to respond. In immediate support of that response, we will be providing £2 million in 2015-16 to double the funding available for local widening access initiatives available through the Scottish Funding Council's Access for Impact for Access Fund.

162. The Scottish Government has increased funding for universities over this Spending Review period. For colleges, over the last two years, it is delivering an extra £61 million beyond that originally planned, setting a funding floor of £522 million in 2013-14, and maintaining it in 2014-15. The draft budget for 2015-16 confirms the Scottish Government's plans to increase college funding to £526 million. Meanwhile, the restructuring of our colleges is set to deliver efficiencies of around £49 million by the end of 2015-16. And college bursaries, which were already set at record levels, rose to take account of inflation this year, and will do so again next year.

163. The Scottish Government is currently consulting on the scope of a **Higher Education Governance Bill** following on from the Review of Higher Education Governance in Scotland, published in 2012. The Bill will be introduced as part of this legislative programme.

HEALTH AND SOCIAL CARE

164. The Scottish Government is committed to working with partners to promote wellbeing and to support individuals during times of ill health, and other occasions when they may be vulnerable and in need of support. We also believe that people should, wherever possible, be closely involved in all the decisions involving their health and care. Major achievements include:

- Protection of the frontline NHS budget.
- Our world-leading patient safety programme with major reductions in levels of hospital mortality and healthcare associated infections.
- Significant reductions in premature mortality from cancer, heart disease and stroke.
- Reduced waiting times.
- The removal of prescription charges and introduction of free eye tests.
- The highest level of dementia diagnosis in the UK and a world leading commitment to one year's post diagnostic support for all those with a new diagnosis, putting Scotland at the forefront of the Global Action Against Dementia.

HIGHER EDUCATION GOVERNANCE BILL

The Higher Education Governance Bill will implement a number of key recommendations of the Review of Higher Education Governance in Scotland, which was led by Professor Ferdinand von Prondzynski. The Bill will ensure that the principles of democracy, transparency and democratic accountability are further embedded in the governance of all higher education institutions in Scotland, now and for the future.

Among its measures, and subject to views shared through the consultation, it is intended that the Bill will address areas such as the election of chairs and composition of governing bodies, the composition of academic boards and update of the principles of academic freedom already in statute.

- A focus on the importance of the early years as a foundation for long term health and wellbeing through initiatives such as Family Nurse Partnership and the Early Years Collaborative.
 - Health and social care integration - a single vision for sustainable quality across health and social care services, including unique workforce partnership arrangements.
- 165.** The Scottish Government is committed to helping people to sustain and improve their health, especially in disadvantaged communities, and ensuring better, local and faster access to health care.
- 166.** In the past year, the Scottish Government has delivered a number of achievements in this area, including:
- Launch of the three-year £50 million National Unscheduled Care Action Plan in February 2013 to support improvements, transformation and sustainability of unscheduled care performance. The Ministerial Task Force on Health Inequalities published its second review of *Equally Well* in March 2014. The review noted that while Scotland's health is improving, deep-seated inequalities are still present and the gap between the richest and poorest is not shrinking.
 - We are leading the way in the UK with reinvestment of Pharmaceutical Price Regulation Scheme rebates in to new medicines through the £40 million New Medicines Fund. The Fund supports the changes made by the Scottish Medicines Consortium to increase access to new medicines for patients in Scotland.
 - A significant reduction in the number of suicides in Scotland, with almost 20 per cent fewer suicides in 2013 than in 2003.
 - The total number of general dental practitioners providing NHS services in March 2014 show an increase of over 700 compared with September 2006.
 - Cases of *C. difficile* in patients aged 65 and over have reduced by 81.9 per cent (April-June 2014). Cases of MRSA reduced by 89.2 per cent over the same period and are at the lowest number of cases since mandatory surveillance began. A national MRSA screening policy was introduced which is mandatory across all NHS Boards.
 - Made good progress towards the implementation of standardised packaging for tobacco products, working in collaboration with UK, Welsh and Northern Irish Governments to agree UK-wide primary legislation.
 - Providing funding of £88.7 million to support NHS Board spending on ICT including supporting IT Business as usual applications, maintaining and enhancing IT Infrastructure and delivering the strategic objectives of the eHealth Strategy 2011-17.
- NHSScotland**
- 167.** The Scottish Government has made significant improvements to Scotland's health and the quality of health care, while protecting the NHS as a free, truly public service, consistent with the values of the NHS and the priorities of people in Scotland.
- 168.** The Scottish Government continues to support the NHS in providing high quality, world-leading health and social care to the Scottish people in a way that maintains the founding principles of the NHS and which reflects the requirements and the opportunities for a health service in a country the size of Scotland. The Government is also committed to supporting NHS Boards to make greater use of digital technologies to enable more effective and person-centred health and care services.

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- 169.** The Scottish Government will continue to support the Scottish Patient Safety Programme, a world-leading initiative aimed at improving the safety and ensure reliability of health care and reduce harm, whenever care is delivered. This is achieved by applying evidence-based interventions to improve the reliability and safety of routine healthcare systems and processes, and that staff caring directly for patients lead the changes and are able to monitor their improvement through the collection of time data at individual level.
- 170.** On Monday 24 November, the Scottish Government accepted all 75 recommendations of The Vale of Leven Hospital Inquiry Report. The first recommendation was that the Health Environment Inspectorate (HEI) should have the power to close a ward to new admissions if in its view there was a real risk to patient safety. We will take immediate steps to ensure such a view from the HEI is acted upon, however the formal implementation of this recommendation will require primary legislation and we will legislate at the first opportunity.
- 171.** The 2020 Vision or NHSScotland was launched in 2011 and sets out the overall strategic policy for NHSScotland.
- 172.** The Scottish Government remains committed to improving Scotland's health outcomes, and will introduce a Public Health Bill to take forward legislation in a number of policy areas.
- 173.** We will take forward a consultation on whether nutritional and catering standards in hospital should be placed on a statutory footing.

NHS 2020 VISION

The Scottish Government's vision is that by 2020 everyone is able to live longer, healthier lives at home, or in a homely setting and, that we will have a healthcare system where:

- We have integrated health and social care.
- There is a focus on prevention, anticipation and supported self-management.
- If hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm.
- Whatever the setting, care will be provided to the highest standards of quality and safety, with the person receiving care at the centre of all decisions.
- There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate, with minimal risk of re-admission.

The Scottish Government remains committed to this vision, and will continue to support NHSScotland in its delivery.

174. We have launched the Detect Cancer Early programme to address the poor quality of life and poor survival rates resulting from late diagnosis of cancer. The sooner that cancer is diagnosed and treated, the better the survival outcomes. We have seen a 50 per cent increase in the number of women attending their GP with breast symptoms compared to the previous year following the breast awareness phase of social marketing.

Health and Social Care Integration

175. Integration of health and social care is the Scottish Government's ambitious programme of reform to improve services for people who use health and social care services. Integration will ensure that health and social care provision across Scotland is joined-up and seamless, especially for people with long-term conditions and disabilities, many of whom are older people.

PUBLIC HEALTH BILL

The Public Health Bill will include measures to reduce the attractiveness and availability of non-medicinal e-cigarettes and tobacco. It will also ensure that the courts can deal with those extreme cases where people in care settings have suffered the worst cases of neglect and ill-treatment, and it will introduce a statutory organisational duty of candour for providers of health and social care.

The Scottish Government has already committed to introducing an age restriction to make it an offence to sell non-medicinal e-cigarettes that contain, or could contain, nicotine to young people under age 18. We launched a consultation on 10 October 2014 to consider what additional measures are needed to protect people from behaviours and products which promote nicotine use or that could make smoking seem normal. In addition to an age restriction for non-medicinal e-cigarettes, the consultation will invite views on tobacco control, measures to restrict access to e-cigarettes by under 18 year olds and reducing the appeal of e-cigarettes to young people and non-smokers.

The Bill will also create a criminal offence of wilful neglect to ensure that the courts have adequate powers to deal with those extreme cases where people in health and social care settings have suffered the worst cases of neglect and ill-treatment. The offence is intended to be comparable to other offences that already exist in relation to people with mental illness and adults with incapacity. It will ensure that the ill-treatment or wilful neglect of individuals in any type of health or social care can be dealt with on an equal basis. We launched a consultation on 10 October 2014 to invite views on this proposal.

The Bill will also create a statutory organisational duty of candour for providers of health and social care. The duty will require providers of health and social care to offer an open and honest explanation following certain defined instances of physical and psychological harm. This will support the Scottish Government's commitment to safe, effective and person-centred delivery of health and social care. We launched a consultation on 15 October 2014 to invite views on this proposal.

- 176.** The Public Bodies (Joint Working) (Scotland) Act received Royal Assent on 1 April 2014, setting the legislative framework for integrating health and social care in Scotland. Integrated arrangements are being established by health boards and local authorities, and full integration will begin roll out from April 2015, with all arrangements to be in place by April 2016.
- 177.** Under integration, health boards and local authorities, along with partners in the housing sector and the third sector, will bring together planning and provision of health and social care services, to improve outcomes particularly for people with multiple complex care needs. Work is underway to assure a strong role for health and social care professionals, housing organisations, and local communities, in designing and delivering better co-ordinated care.
- 178.** By working with individuals and local communities in line with our distinctive Scottish approach, Integration Authorities will support people to achieve key outcomes such as that people, including those with disabilities, long-term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community, that health and social care services are centred on helping to maintain or improve the quality of life of service users, and resources are used effectively in the provision of health and social care services, without waste.
- 179.** The new integrated arrangements will support a transformation of care in Scotland, consistent with the 2020 Vision and the objective of meeting people's expectation that services should be designed in a way that enables them to stay at home, maintaining normal life as far as possible and preserving the connections with their family and friends that they value. This supports the Scottish Government's aim to give back at least 200,000 days to individuals, families and communities by 2017 that would otherwise have been spent in hospital. As part of taking forward this aim we will consult on moving towards a standard that all those ready to go home should be discharged within 72 hours.
- 180.** Additional funding of £173 million has already been identified for 2015-16 to support the transformation of care under integration and the modernisation and protection of primary care services. This is in addition to the resources committed already in 2014-15 to support the work on unscheduled care and on delayed discharge. A further £5 million from the Scottish Government will be available ahead of this coming winter with contributions also being made by health boards and local government. The agreed work already underway between the Scottish Government and other partners in respect of the quality and availability of residential care and care at home will continue.
- 181.** The Scottish Government recognises the vital role that unpaid carers play in caring for their family, friends and neighbours including people who are vulnerable, and will introduce a **Carers Bill** that will extend the rights of carers and young carers.

SELF-DIRECTED CARE

Self-directed support is a term that describes the ways in which individuals and families can have an informed choice about how their support is provided to them. It is most commonly used in the delivery of social care and support but it can cover a much wider range of services. It gives people control over an individual budget and allows them to choose how it is spent on support which meets their agreed health and social care outcomes.

The Social Care (Self-directed Support) (Scotland) Act 2013 and relevant Regulations came into effect in April 2014, meaning that all 32 of Scotland's councils will be required to ensure that newly assessed social care clients and those who receive a review of their needs are provided with the opportunity to direct their own support.

The Scottish Government will ensure robust and comprehensive implementation of this legislation in partnership with COSLA, the Care Inspectorate and user and provider groups, and through the associated Monitoring and Evaluation Strategy. Implementation will be supported through a full review and update to its guidance framework, the provision of £6 million in transformation funding the councils, and £3.9 million to the voluntary and independent sector.

CARERS BILL

The Carers Bill is an important part of the Scottish Government's wider programme of Health and Social Care reform. The Bill will extend the rights of carers, including young carers. The Bill 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. The Bill will help deliver:

- A new Carers Support Plan.
 - Improved and sustained personal outcomes.
 - Improved information and advice provision.
 - Improved access to local support services.
 - More carer involvement in the planning and delivery of support and services, both at individual and strategic levels.
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- 182.** The overarching approach of the Mental Health (Care and Treatment) (Scotland) 2003 Act was to ensure that the law and practice relating to mental health should be driven by a set of principles, particularly minimum interference in people's liberty and the maximum involvement of service users in any treatment. The Mental Health (Scotland) Bill was introduced to the Scottish Parliament on 19 June 2014 and is currently progressing through Parliament. The Bill aims to improve the efficiency and effectiveness of the mental health system through a variety of measures which build on the approach of the 2003 Act.
- 183.** The next phase of Scotland's national food and drink policy articulates an aspiration to become a Good Food Nation. It highlights the significant successes of the sector but flags up a troubling paradox alongside Scotland's fantastic larder, we continue to have an uneasy relationship with food. We have one of the poorest diet-related health records globally, unacceptable levels of food waste, widespread disconnect from where our food comes from and the shame of increasing reliance on food banks.
- 184.** We will work with partners in the new food Commission to deliver our aspiration that Scotland should become a Good Food Nation, a Land of Food and Drink, not only in what we as a nation produce but also in what we buy, serve and eat. We want food to be a key part of what makes the people of Scotland proud of their country.

- 185.** The Scottish Government introduced the Food (Scotland) Bill to the Scottish Parliament in March 2014, which creates Food Standards Scotland to replace the UK-wide Food Standards Agency (FSA) in Scotland. It will also allow for the scope of the body's functions to be widened beyond the FSA's current remit, for example streamlining how diet, nutrition and obesity are handled in Scotland.
- 186.** The other main purpose of the Bill is to establish new food law provisions to protect and improve public health by: driving up hygiene standards reducing the incidence of food-borne disease; providing safeguards against food standards incidents such as food fraud; and strengthening and simplifying the penalty regimes for breaches of food law. The Bill is progressing through Parliament and the target is to have Food Standards Scotland established by April 2015, with the improved food safety protections in place as soon as possible after that.

WELFARE

- 187.** The record of successive Scottish administrations on welfare issues shows the commitment to social justice which lies at the heart of political and civic life in Scotland. Scottish Ministers believe that the UK Government continues to cut public spending too far and too fast, and this is not only damaging the recovery of the economy, but also creating unnecessary hardship for vulnerable groups.
- 188.** Scottish Ministers acknowledge that reform of welfare is needed, but do not agree with the way in which the UK Government is carrying this out. Reform should result in a welfare system which is simpler, makes work pay and lifts people out of poverty, in order to ensure fair and decent support for all. The welfare reforms being pursued by the UK Government are inconsistent with these aims.
- 189.** In the past year, the Scottish Government has delivered a number of achievements in this area. We have:
- Mitigated the impacts of welfare reform on people in Scotland within existing powers and resources, including maintaining funding for the Scottish Welfare Fund at £38 million and investing £8 million in welfare mitigation activity such as advice and support services, and £35 million to tackle the Bedroom Tax.
 - Worked with COSLA, Scottish local authorities and a wide range of the third sector partners to improve our understanding of, and response to, the impact of the UK Government's welfare reforms.
 - Committed £23 million in 2013-14 and again in 2014-15 to help mitigate the cut in funding from the UK Government for Council Tax Benefit successor arrangements, and worked in partnership with COSLA and local authorities to deliver our national Council Tax Reduction scheme.
 - Set up the £1 million Emergency Food Aid Action Plan to help food aid organisations combat food poverty in Scotland.
- 190.** The Scottish Government remains committed to doing everything it can within existing powers and resources to mitigate the impacts of welfare reform on people in Scotland. The UK Government's cuts and changes to the welfare system continue to have damaging consequences for people, organisations and devolved services across Scotland.

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- 191.** Analysis published on 7 April 2014 estimates that the cumulative impact of the UK Government's welfare reforms over the six years to 2015-16 could result in welfare expenditure in Scotland being reduced by around £6 billion, of which it is estimated that £1 billion relates directly to children. Not only does this directly affect the most vulnerable in our society, it also places greater demands on the services that people turn to for support, such as health and housing.
- 192.** The Scottish Government is committed to challenging the UK Government for fairer welfare reform and to take action to ensure that safeguards are in place for those who need them most. This includes considering how, together with our partners, we can build resilience within those communities most affected by changes to the welfare system and reductions in benefit expenditure.
- 193.** The Scottish Welfare Fund provides grants which can act as a safety net in an emergency when there is an immediate threat to health and safety, or enable independent living, preventing the need for institutional care. The Scottish Government is committed to providing £38 million for this fund in 2014-15 and will continue to progress the Welfare Funds (Scotland) Bill through the Scottish Parliament to provide a statutory basis for a permanent local welfare safety net, delivered by local authorities. The Government will provide £35 million of funding to tackle the effects of the Bedroom Tax.
- 194.** In addition, £23 million has been committed in 2014-15 to help mitigate the cut in funding from the UK Government for Council Tax Benefit successor arrangements, and we have worked in partnership with COSLA and local authorities to deliver the national Council Tax Reduction scheme.

COMMUNITY CHARGE DEBT BILL

The Poll Tax, or community charge, was a system of taxation introduced in replacement of rates in Scotland from 1989, a year prior to its introduction in England and Wales from 1990 – but was widely discredited, even before its introduction, and was abolished after only four years in 1993.

The Scottish Government will introduce legislation to end collection of historic community charge debts. It will ensure, following recent high levels of democratic engagement in Scotland, that the electoral registers are not used to pursue historic arrears of the community charge, as well as ending ongoing repayment arrangements.

- 195.** The Government's approach to tackling poverty through a focus on pockets, prospects and places will continue. We must build on our existing work with others to improve opportunities for all. Organisations such as The Poverty Truth Commission and Poverty Alliance have carried out important work, engaging with communities in new and exciting ways. We want to do more to learn from these organisations and others, and to involve people and communities who are experiencing poverty, to ensure effective action is taken to tackle poverty and inequality.
- 196.** All new and revised Scottish Government policies will be subject to a new poverty impact assessment, with trials of the approach beginning in 2015. The trials, to be developed following engagement with communities and our partners, will form part of a wider review of existing impact assessments and frameworks, intended to strengthen government decision-making and accountability.
- 197.** Although the focus of the assessment will initially be on Scottish Government policy and programmes, the approach will also consider UK level policy announcements, recognising that many decisions affecting Scottish people in poverty are taken by Westminster. We will also work with our partners to consider how poverty impacts might be best assessed across the wider public sector as part of ensuring that more effective approaches to tackling poverty and inequality are at the heart of the next phase of public service reform.

AFFORDABLE, SUSTAINABLE HOUSING

- 198.** High quality houses help create strong communities, are important for people's wellbeing, health, education and safety, and have a direct impact on the economy and jobs. Scotland faces distinctive challenges from those in the rest of the UK, and the Scottish Government continues to be committed to addressing this.
- 199.** In the past year, the Scottish Government has delivered a number of achievements in this area, including:
- Scotland's *Sustainable Housing Strategy* was published on 21 June 2013. The Strategy sets out an ambitious programme and route map to 2030 to achieve a vision for warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland.
 - The Government pledged to deliver 30,000 affordable homes over the lifetime of this Parliament, including 20,000 social homes of which 5,000 will be council homes. In the first three years, 19,903 new affordable homes, including 14,294 social homes, have been delivered.
 - Supported the industry-led *Building the Rented Sector* project focused on attracting institutional investment into Scotland's new-build private rented sector, and funded a dedicated *Private Rented Sector Champion* to capitalise on the investment opportunities that currently exist.

AN INDEPENDENT ADVISOR ON POVERTY AND INEQUALITY

We will appoint an independent advisor on poverty and inequality. The advisor will hold at least three public events with the First Minister during 2015, to gather insights into people's experiences, raise the public awareness of the scale and realities of living in poverty, and seek views on further actions to reduce poverty and inequality in Scotland. Supported by a small team, the independent advisor will be tasked with making recommendations to the Government on how collectively we should respond to these challenges and will hold the Government to account on its performance.

- Worked with the Scottish Futures Trust and a number of Councils to develop and deliver variants of the successful original National Housing Trust initiative, which has levered over £200 million of development so far and is on track to deliver over 2,000 additional homes for affordable rent.
- Pioneered the use of the Charitable Bond mechanism in Scotland as a channel for loan investment to support the financing of more affordable homes and to generate grants for the funding of regeneration projects by charitable organisations.
- Hosted the Scottish Housing Event in November 2014, working with delegates representing the whole range of housing perspectives to create a Joint Delivery Plan for Housing in Scotland.

200. The Housing (Scotland) Act 2014 will safeguard tenants' interests; support improvements to housing quality; and secure better outcomes for communities, through ending all right to buy entitlements which will protect the existing stock of social rented homes and help the many people in need of social housing. The Act will also increase flexibility in the allocation and management of social housing and will benefit tenants in the private rented sector by introducing a regulatory framework for Letting Agents, setting a consistent standard of professionalism and conduct. Poor conditions in the private rented sector will be tackled by the creation of additional powers for local authorities.

201. The Scottish Government will continue to invest in affordable housing, committing £1.7 billion over the five years to 2015-16, principally through local authorities and housing associations. This investment will ensure that the target of 30,000 affordable homes over the lifetime of the Parliament is met or exceeded.

202. It is vital that investment in housing results in warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland. Scotland's *Sustainable Housing Strategy* was published on 21 June 2013 and sets out an ambitious programme and route map to 2030 to this vision.

STRONGER, SAFER COMMUNITIES

203. Upholding the rule of law and protecting society is essential to ensure people feel safe in their communities. The Scottish Government is committed to working with partners to create a society in which all people and communities live in a safe, secure and resilient society where individual and collective rights are supported and disputes are resolved fairly and swiftly.

204. In the past year, the Scottish Government has delivered a number of achievements in this area, including:

- Crime at its lowest level for 40 years with just over 148,000 fewer crimes recorded than in 2006-07 (down 36 per cent, from 419,257 to 270,397).
- Clear up rate for all crimes highest in over 35 years in 2013-14.
- Violent crime down by almost a half since 2006-07 (from 14,099 to 6,785).
- Average custodial sentence lengths up 22 per cent since 2006-07 across all crimes and offences (283 days in 2012-13 compared with 232 in 2006-07).
- Firearms offences at a 33-year low in 2012-13, down by over 70 per cent since 2006-07, from 1,260 to 365.
- Over 1,000 more police in our communities (police numbers at 17,267 as at 30 September 2014 – up 6.4 per cent or 1,033 officers on 31 March 2007).

- The reconviction rate decreased to 29.2 per cent in 2011-12, continuing the general downward trend over the past decade, and down from 32.4 per cent in 2006-07.
- The Victims and Witnesses (Scotland) Act 2014 was passed by Parliament in December 2013, placing the interests of victims and witnesses at the heart of reforms to the justice system and ensuring that offenders contribute financially towards the costs of providing support to victims.
- The Minister for Transport and Veterans appointed Mr Eric Fraser CBE as Scotland's inaugural Veterans Commissioner – the first role of its kind in the UK. The Scottish Government has significantly increased the financial support available to Scotland's veterans charities through the Scottish Veterans Fund, taking the budget to £120,000 for 2014-15.

205. The Scottish Government is also determined to enable people to live in inclusive and respectful communities, helping to remove barriers to the improvement of the lives of all of Scotland's people, including on grounds of disadvantage, prejudice or discrimination.

Policing and Safer Communities

206. A modern and effective police force is essential to the safety and security of Scotland's people and communities. The Scottish Government will support this through 1,000 more police officers in our communities compared to 2007 and will continue to build on the positive relationship with communities and the high level of confidence in policing across the country through promoting local engagement and maintaining crime rates at an historic low.

207. The Scottish Government will continue to work with Police Scotland and the Scottish Police Authority, in line with their strategic priorities and plans, to enable further significant progress to be made in implementing organisational reforms to enhance the efficiency and effectiveness of policing and achieve the required saving targets. In 2014-15, Police Scotland is on track to save £88.2 million, and the expected, cumulative savings for 2015-16 will be £108.7 million which will contribute significantly towards the delivery of £1.1 billion from the police reform programme by 2025-26.

SAME SEX MARRIAGE

As part of our commitment to a fairer society, the Scottish Government supported the Marriage and Civil Partnership (Scotland) Act 2014 which was passed in February 2014, representing a historic moment for equality in Scotland. The Act ensures that same sex couples have the same rights to marriage as opposite sex couples, whilst protecting religious bodies and celebrants who do not wish to take part in same sex marriage.

The implementation timetable envisages the bulk of the Act's provisions commenced on 16 December 2014. Subject to parliamentary approval of secondary legislation before the Scottish Parliament and an Order under section 104 of the Scotland Act 1998 at Westminster, the first same sex marriage ceremonies will take place in Scotland on 31 December 2014, after the usual 14 day marriage notice period. It will be possible for couples in a civil partnership registered in Scotland to change their civil partnership to marriage, if they wish, through an administrative process run by local authority registrars from 16 December 2014. Appointments should be booked with registrars beforehand.

- 208.** Support will continue for the Building Safer Communities Programme, aimed at delivering a flourishing, optimistic Scotland in which resilient communities, families and individuals live safely, free from crime, disorder and harm. One specific aim of the programme is to reduce the cumulative number of victims of crime by 250,000 by 2017-18.
- 209.** Sectarianism unfortunately remains an issue for some communities in Scotland. By the end of 2014-15 the most robust evidence base on the nature and extent of sectarianism in Scotland will have been gathered, and advice will have been received on developing the agenda from the independent *Advisory Group on Tackling Sectarianism in Scotland*. The Scottish Government will work with a wide range of partner and stakeholder organisations with the aim of building strong, confident communities which feel empowered, and have the capacity to tackle the social issues they are facing.
- 210.** Trafficking human beings for the purpose of exploiting them through forced labour, domestic servitude, prostitution, or for any other purpose, requires robust legislation to allow police and prosecutors clear powers to detect and prosecute those responsible and to ensure an appropriate strategic response and effective support to victims. The Scottish Government will introduce a **Human Trafficking and Exploitation Bill** to address this.
- 211.** A new drink drive limit will come into force from 5 December 2014. This reduces the 'drink drive' limit in Scotland from 80mg alcohol per 100ml of blood to 50mg alcohol per 100ml of blood, improving road safety and communicating clearly that the best approach is not to drink and drive.
- 212.** Completion of the parliamentary passage of the Air Weapons and Licensing Bill will enhance public safety by ensuring that only people with a legitimate reason for possessing and using an air weapon will have access to them in future and take them out of the hands of those who would use them illegally.

HUMAN TRAFFICKING AND EXPLOITATION BILL

The Human Trafficking and Exploitation Bill will bring forward measures to improve how Scotland deals with the trafficking of human beings and those individuals who are exploited by being held in slavery or servitude or required to perform compulsory or forced labour. The Bill will implement recommendations in recent reports, such as the Scottish Parliament's Equal Opportunities Committee Report into Migration and Trafficking and will create a legislative framework which ensures that police, prosecutors and other agencies have the powers to make Scotland a hostile environment for human traffickers and those who exploit individuals and which helps to identify and support the needs of victims.

In particular, the Bill will:

- Require the creation of a Scottish anti-human trafficking strategy and give statutory responsibility to relevant agencies to work with the Scottish Government to develop and review it.
- Clarify and strengthen existing criminal law against human trafficking.
- Enhance the status of, and support for the victims of trafficking.

213. Working with Scotland's resilience partners, the Scottish Government will continue to develop a strategic resilience framework that empowers local communities, business and Scotland's resilience responders to mitigate against and respond effectively to disruptive events. This will include collaborating with business, academia and communities to develop a cyber-resilient Scotland.

Justice, Prisons and Courts

214. The Scottish Government is committed to delivering a range of reforms to the structure and processes of the courts, access to justice and tribunals and administrative justice, including implementation of the Tribunals (Scotland) Act 2014. It has been developed and is being delivered with partners across the justice system, including the Crown Office and Procurator Fiscal Service, Scottish Court Service, Scottish Legal Aid Board and the Police.

215. The Courts Reform (Scotland) Act 2014 has completed its passage through Parliament and implementation will begin, including the establishment of a specialist personal injury court; a new Sheriff Appeal Court; the appointment of a new judicial office of summary sheriff; and raising the competence of the sheriff court. The Scottish Court Service and the Scottish Tribunals Service will be merged in 2015, creating a new body, independent of Government with a board chaired by the Lord President as head of Courts and Tribunals judiciary. Additionally, work will proceed with the Judicial Office for Scotland with the aim to establish a Scottish Sentencing Council by the end of this Parliament.

216. A report on post-corroboration safeguards will be published by April 2015. Once this report is available, parliamentary consideration of the Criminal Justice Bill will resume.

217. It is unacceptable in a modern Scotland, which aspires to equality, that far too many people, disproportionately women and girls, live with the threat of physical and psychological harm from partners or former partners. Police, prosecutors and courts have rightly strengthened their response to all forms of domestic and sexual abuse in recent years. However, more needs to be done.

218. Further measures in the Victims and Witnesses (Scotland) Act 2014 will be implemented throughout 2014-15, to improve the support available for victims and witnesses. The Scottish Government will provide funding of over £4 million to victim support organisations, including Victim Support Scotland, in 2014-15. The Victims Surcharge Fund will require offenders to contribute towards the costs of providing immediate services to the victims of crime, such as fixing locks.

219. New legislation will be introduced to Parliament to establish a more effective model for the delivery and oversight of community justice services in Scotland. This is a key component of the Reducing Re-offending Programme Phase 2 and will be delivered through the introduction of a **Community Justice Bill**.

TACKLING DOMESTIC ABUSE

Around one in every seven adults in Scotland report having been a victim of domestic abuse. Abuse can take many forms, not only physical violence, but threat, coercion and control. Of the 60,000 incidents of domestic abuse reported to the police in 2012-13, 80 per cent had a female victim and a male perpetrator. Domestic abuse also has a devastating impact on victims and children. Building on initiatives such as specialist domestic abuse courts, victim advocacy services and the Caledonian System which works with men to change violent behaviour, Scotland has the potential to lead the way in demonstrating that domestic abuse, in all of its forms, is unacceptable.

During 2015, we will consult on introducing a new specific criminal offence of committing domestic abuse. Although incidents of domestic abuse can be prosecuted under existing laws, a new specific offence could better reflect the true nature of abuse, including ongoing controlling and coercive behaviour by partners or former partners. We will begin work to create a new specific offence of committing so-called 'revenge porn' - the malicious distribution of intimate images of former partners.

We will also bring together leading academics during 2015 to establish and communicate a clear understanding of the extent and nature of domestic abuse in Scotland and to share evidence of what works to prevent and reduce harm. We will work with Police Scotland and other relevant bodies to draw on the lessons from the Disclosure Scheme for Domestic Abuse pilots launched this month in Aberdeen and Ayrshire and to assist Police Scotland in consideration of whether this approach, making available information about the previous abusive behaviour of a partner, should be extended more widely to help prevent the risk of harm. Together, we can better support victims of abuse and change the unacceptable attitudes and behaviours that cause domestic abuse.

COMMUNITY JUSTICE BILL

The Community Justice Bill will create a stronger community justice system based on local collaborative strategic planning and delivery with national support and assurance. It will also ensure that community justice is given the profile and priority that is required to improve outcomes across Scotland. The redesign of community justice forms part of the Scottish Government's response to the report of the Commission on Women Offenders (2012) and the Audit Scotland report on Reducing Reoffending (November 2012). The Bill will create a stronger community justice system that provides leadership; strategic direction; local decision-making and service delivery; improved collaboration and communication, underpinned by a performance culture; and an enhanced profile, all of which will result in better outcomes for people and communities.

The Bill will replace the existing arrangements for Community Justice Authorities (CJAs) with a new model which will introduce:

- Provision for local planning and delivery of community justice services through Community Planning Partnerships (CPPs).
- A national body to provide assurance on the delivery of outcomes for community justice and reducing reoffending, and to provide strong leadership for the sector.
- A duty on a defined set of partner bodies (including local authorities, NHS Boards and Police Scotland) to engage in local strategic planning and delivery of community justice services.
- Accountability for planning and performance at a local level.
- The commissioning, management or delivery of services nationally, where appropriate.

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- 220.** The Scottish Government will continue to progress through Parliament the Prisoners (Control of Release) Bill to end the automatic early release from prison of certain categories of prisoners who pose a continuing risk to public safety. The Bill will also introduce flexibility to bring forward a prisoner's release date by up to two days for the purpose of effective reintegration of a prisoner into the community. The Bill will improve public safety by ensuring serious offenders who are seen as posing an unacceptable risk to public safety are no longer entitled to automatic early release. By giving the discretion to bring a prisoner's release date forward by up to two days, it will ensure more timely access to support services that assist prisoners who have left custody to better reintegrate into their communities. This approach will help reduce reoffending and keep our communities safer.
- 221.** Working with other justice organisations, the Scottish Prison Service will implement strategic priorities from its Organisational Review, including working with prisoners and with partners in other services to support more effective reintegration and a reduction in reoffending, as part of wider justice programmes. In addition, the Scottish Government will introduce during 2015 a new independent monitoring service for prisons in Scotland, involving members of the local community in conducting visits to prisons to monitor the conditions of prisons and the treatment of prisoners, in line with Scotland's obligations to promote and protect human rights.

- 222.** Following from recommendations made by Lord Cullen in his 2009 *Review of Fatal Accident Inquiry legislation*, the Scottish Government will introduce a **Fatal Accident Inquiries Bill** intended to help modernise the way in which fatal accident inquiries are handled in Scotland.
- 223.** Following on from the Legal Writings (Counterparts and Delivery) Bill, currently being scrutinised by the Scottish Parliament, the Scottish Government will continue to identify opportunities to make use of the new legislative procedure which was established to improve the rate of implementation of reports from the Scottish Law Commission.
- 224.** The second Bill which will be proposed for this procedure, if it satisfies the necessary criteria, is the **Succession Bill**. It will implement a number of the recommendations contained in the Scottish Law Commission Report on Succession published in 2009. We also plan to consult in the coming year on further legislation on succession which will aim to radically overhaul the current law in this area. As part of this modernisation the distinction between movable and immovable property would be removed to give children, spouses and civil partners appropriate legal rights over both forms of property. This should ensure a just distribution of assets among a deceased's close family to reflect both societal change and expectations. These changes will be an important aspect of our series of measures in respect of land reform.

FATAL ACCIDENT INQUIRIES BILL

The Fatal Accident Inquiries (FAI) Bill will provide the legislative framework needed to implement the remaining recommendations of Lord Cullen's Review of the operation of the Fatal Accident and Sudden Deaths Inquiries (Scotland) Act 1976 to help modernise the way FAIs are handled in Scotland.

The Government proposes a Bill that will:

- Build on the recommendations implemented by the Crown Office to make the system more efficient.
- Extend the categories of death in which it is mandatory to hold a fatal accident inquiry.
- Place a requirement on those to whom sheriffs direct recommendations at the conclusion of the inquiry to respond.
- Permit discretionary FAIs into deaths of Scots abroad where the body is repatriated to Scotland.
- Provide flexibility for the locations and accommodation for FAIs.

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225. A robust approach to parliamentary probity already exists in Scotland and the Scottish Parliament has strict rules around lobbying activity which has helped ensure that many of the difficulties which have arisen at Westminster have not arisen in Scotland. However, it is essential that the legislative and non-statutory framework in this area is kept under review and improvements made where it is appropriate to do so.

226. The Scottish Government has committed to take forward the development of a Lobbying Transparency Bill. The Standards, Procedures and Public Appointments Committee is currently conducting a comprehensive and wide-ranging Inquiry into the topic, hearing from a broad range of stakeholders as well as MSPs. The Government is currently awaiting the Committee's conclusions, due in early 2015, and these findings will be key to determining the best way forward.

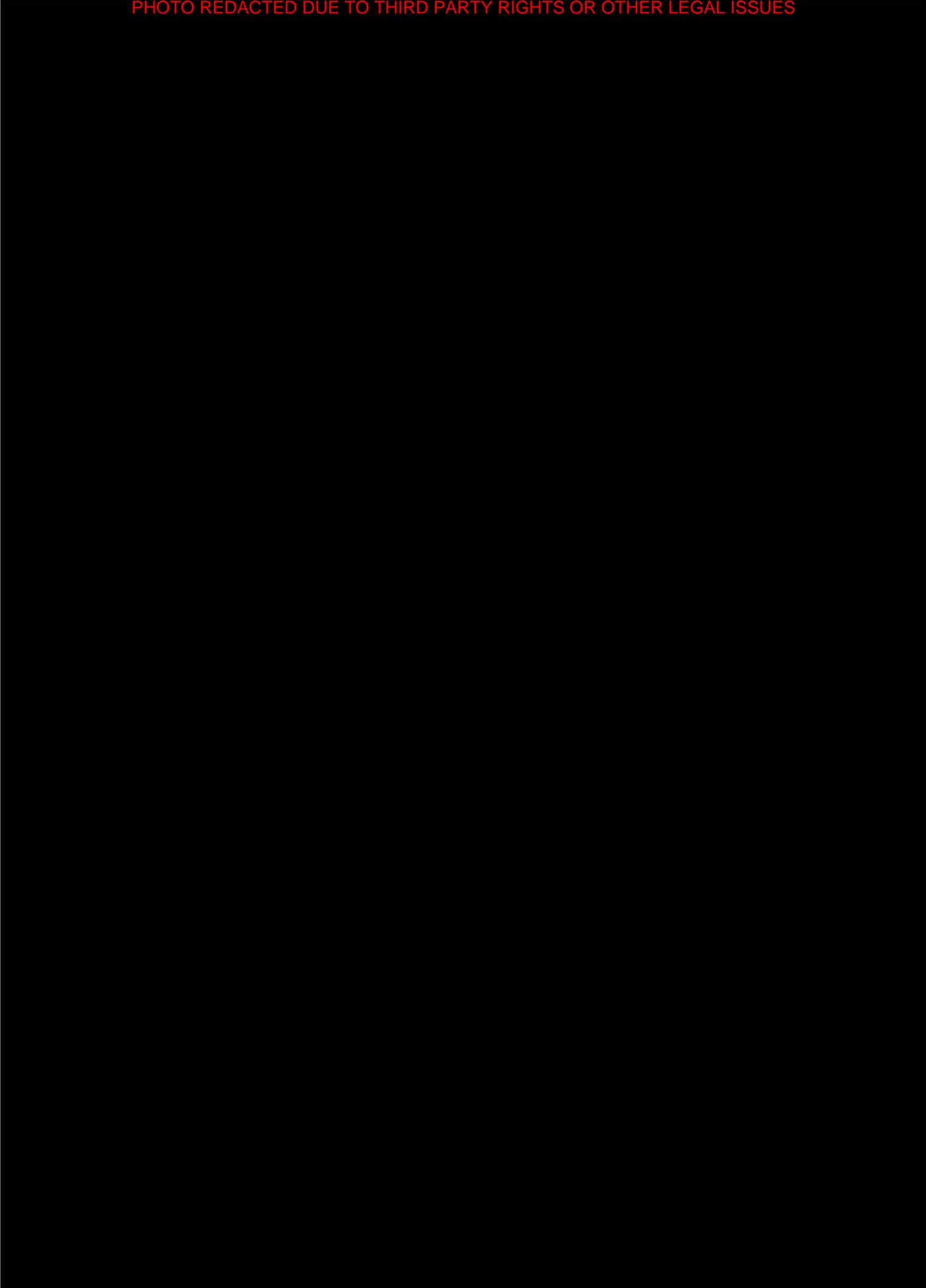
SUCCESSION BILL

The Succession Bill will provide the legal framework for implementing a number of the recommendations contained in the Scottish Law Commission (SLC) Report on Succession published in 2009. The reforms will address a number of anomalies within the current legislative framework so that the law in this area is fairer, clearer and more consistent.

Among other measures the Bill will:

- Remove the requirement for executors to obtain a bond of caution.
- Close a number of jurisdictional gaps so that where Scots law is the applicable law, the Scottish courts will have jurisdiction.
- Reform how wills may be rectified by the courts.
- Reform how survivorship should operate.
- Clarify the effect of divorce, dissolution or annulment or the birth of a child on a will.

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CHAPTER 5

PASSING POWER TO OUR PEOPLE AND COMMUNITIES

INVESTING IN DEVELOPING OUR COMMUNITIES

227. Our National Purpose and Outcomes have promoted a One Scotland approach, with a clear, shared vision of what we are doing to improve the prosperity of Scotland and make our nation a more equal society. We want to maintain the high levels of civic participation seen throughout the referendum debate and want to build on that to empower and enable people to improve their own lives and those of others in their community.

COMMUNITY EMPOWERMENT

228. We have reinforced our commitment to Community Empowerment by introducing the Community Empowerment (Scotland) Bill to Parliament in June this year. The Bill provides a legal framework that will promote and encourage community empowerment and participation, by creating new rights for community bodies and new duties on public authorities.

229. This commitment reflects our belief in the ability of the people in Scotland to do things for themselves. There is a huge reservoir of talent and energy in all our communities – by energising and releasing this, we will give people a greater sense of control over their own futures. This is an important aspect of tackling inequalities.

IMPLEMENTING THE COMMUNITY EMPOWERMENT BILL

The purpose of the Bill is to empower community bodies through the ownership of land and buildings and to strengthen individuals' voices in the decisions that matter to them. The Bill will make it easier for communities to take on public sector land and buildings, and will extend the community rights to buy to the whole of Scotland. These changes will help deliver the Scottish Government's target of having a million acres of land in Scotland under local control by 2020.

The Bill will also improve outcomes for communities by improving the process of community planning and strengthening partnership working. Community Planning Partnerships are made up of people from the local council, health, police, fire and transport services and we want them to work together even more closely with communities to ensure that local services are delivered effectively and meet the needs of the people who use them.

This demonstrates our commitment to treating people as active participants in their own and their families' lives, recognises opportunities presented by this, and helps people to achieve the outcomes they want rather than those which the Government believes they want.

- 230.** Across the country, hundreds of community based organisations deliver countless benefits for their local communities. Crucially, these benefits are defined on the communities' own terms. It can mean creating jobs through community enterprise; supporting older, vulnerable people; giving children opportunities to grow in confidence and make a valuable contribution; or celebrating local culture, food or sport. The work of these groups is felt from our islands and remotest rural villages to the hearts of our cities and our ancient market towns.
- 231.** Hundreds of groups like development trusts, community based housing associations, and other enterprising community-led organisations are already benefitting from investment and we want more locally based groups across the country to be able to improve the economic social and environmental lives of their communities.
- 232.** We want to ensure that more of the money we spend is directed by communities themselves - by the individuals and organisations who know best how to tackle poverty and inequality and harness the energy of local people. Therefore, we will establish a new Empowering Communities Fund which will encompass our existing People & Communities Fund, and will have an additional £10 million to allocate next year - more than doubling the existing resource. The fund will be open to applications from community organisations so that even more communities are able to take advantage of the new powers in the Community Empowerment Bill and make a difference in tackling inequalities on their own terms.
- 233.** The Scottish Government's vision is for a fairer, wider and more equitable, distribution of land for communities and individuals alike. To help realise this vision, the Scottish Government established an independent Land Reform Review Group to develop innovative and radical proposals for further land reform. We are determined to act on its recommendations.
- 234.** As part of the Scottish Government's ongoing commitment to land reform and as part of our response to the Review Group's report, *The Land of Scotland and the Common Good* published in May 2014, we have committed to introduce a **Land Reform Bill** within this parliamentary term.



LAND REFORM BILL

The relationship between the people living in Scotland and the land of Scotland is of fundamental importance. Our aim is to move the debate on land reform from one focused on historic injustices to a modern debate about the current balance of land rights in Scotland and how this can be managed to best deliver for the people of Scotland.

Radical and effective land reform aims to ensure the correct balance of land rights and this can only be achieved through a package of measures, taken forward and understood together.

In addition to progressing current land reform measures, such as new and improved community rights to buy, we will be announcing the intention to respond fully to the Land Reform Review Group's report and launching a consultation on both a Land Rights Policy for Scotland and a consultation on a Land Reform Bill to be taken forward within this parliamentary term.

Proposals that will be contained – subject to consultation – in a Land Reform Bill within this parliamentary term include:

- Withdrawing the business rate exemptions for shooting and deerstalking.
- New powers for Scottish Ministers to intervene where the scale of land ownership and land management decisions are a barrier to local sustainable development.
- A new duty on charity trustees to consult with local communities where decisions on the management and use of land under the trustees control may affect a local community.
- A new Land Reform Commission tasked developing the evidence base for future reform, supporting public debate and holding this and future Governments to account.

In addition to a Land Reform Bill we are announcing our commitment to:

- Increase the Scottish Land Fund to £10 million from 2016-20 to meet demand.
 - Develop a dedicated resource within the Scottish Government to promote and facilitate community land ownership across the whole of Scotland.
 - Modernise succession law so that all children are treated equally when it comes to inheriting land.
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COMMUNITY-LED REGENERATION

- 235.** Our most disadvantaged and fragile communities will continue to benefit from active initiatives which support them to deliver long-term solutions that tackle poverty and inequality on their own terms, as part of our holistic approach to community-led regeneration.
- 236.** A wide range of people are already benefiting including families, lone parents, unemployed people, jobless households, young people, older people, homeless people, ex-offenders, carers, disabled people, black and ethnic minority groups, and other vulnerable groups (for example, people with learning difficulties, women at risk of domestic abuse, people with mental health issues).

PARTICIPATORY DEMOCRACY

- 237.** The process of the referendum has re-ignited an interest in politics and civic activism across the country. This provides a great opportunity to encourage people's involvement in the democratic life of Scotland at national and local level. People's involvement in democracy in Scotland should not stop once they have cast a vote.
- 238.** We want to draw more people more deeply into the way that the decisions that matter to them are taken. We want Scotland to be an open and truly engaging country, where the creativity and wisdom of all its people help to shape our future. We will work collaboratively with COSLA, a range of existing experts in participative democracy, the wider public sector and communities to identify the best ways to achieve this.
- 239.** We also commit to developing new policy on community energy, tackling inequalities and improving school attainment in a truly participatory way. The first meeting of the Rural Parliament in November 2014 demonstrates the new approach we want to take in engaging with rural communities.
- 240.** We intend to work energetically with partners to deliver real-life improvements for those living in rural Scotland. We will also make sure that we have strong connections to the Older People's Assembly and Scottish Youth Parliament – both of which reflect the interest in shaping our future across the generations, as well as with the emerging work of the Poverty Truth Commission.
- 241.** We will lead an outward-looking Government which is more open and accessible to Scotland's people than ever before. We will blend modern and traditional forms of communication, such as online Q&As and town hall meetings, and hold more Cabinet meetings outside Edinburgh to close the gap that has existed for too long between citizens and politicians.
- 242.** Our investment in people and communities will help ensure that, as well as building social capital and helping people realise their own and their communities ambition, those who currently experience exclusion and disadvantage are able to engage fully in these processes.

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| SCOTLAND'S THIRD SECTOR

- 243.** Scotland's third sector is diverse, made up of community groups, voluntary organisations, charities, social enterprises, co-operatives and individual volunteers. They are a valued and essential part of Scotland, informing and shaping our public life and contributing to the development of the Government's policies. The sector's connections and reach, and its capacity to mobilise volunteers and external investment make it a critical partner in working directly with individuals, families and communities.
- 244.** We are committed to supporting the development of a capable, sustainable and enterprising third sector. The sector plays a key role in achieving the Government's purpose by supporting Scotland's communities and delivering public services. The sector offers specialist expertise, the ability to engage with vulnerable groups and individuals, and a flexible and innovative approach.
- 245.** The third sector is a key partner, playing a major role in our economy and in the design and delivery of public services. We will continue to foster the creativity and innovation that exists within Scotland's communities to enable a thriving third sector, create a positive environment for social enterprise, and demonstrate the value it places on the work of volunteers, charities and community organisations.

| CONNECTING WITH PEOPLE

- 246.** Digital tools can provide the most effective way, in many cases, to support effective wide-ranging engagement with the public, enabling greater participation in the democratic process. The Scottish Government is committed to making good use of these tools. A significant investment is being made in digital infrastructure, but effective digital engagement also requires action to promote access and develop digital skills.
- 247.** The Scottish Government will continue its work with the Scottish Council for Voluntary Organisations and signatories of the Digital Participation Charter to tackle digital inclusion across the country. In addition, as infrastructure is delivered, it will be supported by programmes that stimulate demand amongst individuals and businesses and ensure that everyone is able to share in the economic and social benefits of the internet.

EASIER ACCESS TO FREE WI-FI

The Scottish Government will promote easier access to free Wi-Fi, particularly through Wi-Fi in public buildings, promoting effective access to benefits of internet for all. We will provide funding of £1.5 million to support this.

RURAL COMMUNITIES

248. Scotland's land and seas are vital to both the wellbeing of its people and economic development. In the past year, the Scottish Government has delivered a number of achievements in this area, including the following:

- The Scottish Government invested £56.7 million in the last year as part of two five-year multi-disciplinary strategic research programmes built on innovation, scientific excellence, collaboration and resilience in tackling climate change, land-use and food security issues.
- We have worked with stakeholders to develop an innovative approach to implementing new EU Common Agricultural Policy (CAP) Greening requirements in Scotland, which will tailor the European rules to Scottish circumstances and ensure that Greening contributes to delivering Scotland's ambitious climate change targets.
- A Report to Parliament was submitted on progress with delivering the Scottish Biodiversity Strategy, noting increases in terrestrial birds and improvements in river quality and associated habitats and species.
- Implemented a new Crofting Register which will, for the first time, bring certainty to the boundaries of land held in crofting tenure and removes doubt over who has rights and responsibilities in croft land and allow communities and the Commission to ensure such responsibilities are being met.
- A further £10.6 million was invested through the European Fisheries Fund to support the fisheries, aquaculture and fish processing sectors to create and safeguard jobs in remote rural areas, and to develop and sustain markets for Scottish seafood and aquaculture products.
- Following the severe winter weather of 2012-13, the Scottish Government provided £3.9 million in emergency harbour repair grants to ensure that fishery-dependent harbours could continue to operate.

SCOTLAND'S FIRST RURAL PARLIAMENT

Scotland's first Rural Parliament will bring together the people of rural Scotland and policy makers to enable better understanding, improved policy and action to address rural issues. Meeting for the first time in November 2014, it will sit every two years and bring together 400 people from rural communities, decision makers and organisations from across Scotland.

Scottish Rural Action was formed late in 2013 to deliver the inaugural Scottish Rural Parliament. Although primarily funded by the Scottish Government, Scottish Rural Action is an independent organisation, and is seen as a temporary body formed in order to organise this first event, at which the rural community will determine the future governance arrangements of the Scottish Rural Parliament.

'Rural Parliament' is not a formal part of government, nor is it a parliament in the sense of a legislative or decision-making body. It is a 'bottom-up' process of involvement and debate between the people of rural Scotland and policy makers to enable better understanding, improved policy and action to address rural issues, and reflects the Scottish Government's approach at putting people and communities at the centre of decision making.

249. The Scottish Government will adopt a fresh approach to how we engage with and deliver for rural Scotland. This will take as its launch-pad point the historic first meeting of the Rural Parliament on 7-9 November 2014, a tangible expression of the new levels and forms of participative democracy emerging from the referendum debate. We will work energetically with partners on a collective response to the Rural Parliament's work and conclusions and articulate a small number of tangible outcomes for rural Scotland, which will, taken together, lead to real-life improvements for those living in rural Scotland.

Land Use and Wildlife

250. Scotland's land is a fundamental asset which is key to the economy and the nation. It is a resource which is finite and in some cases fragile, and there is a responsibility to future generations to care for the land to ensure that its resources are cared for and invested in for the future.

251. The Crofting Law Group will present a review of crofting legislation to the Scottish Government by the end of 2014, which will inform changes to both the legislation and administration of crofting that will be taken forward in early course. The Scottish Government will fully engage with the Crofting Law Group and wider stakeholder organisations to ensure buy-in to the changes.

252. The Scottish Government's vision is for a Scottish tenant farming sector that is dynamic, getting the best from the land and people farming it and provides opportunities for new entrants, forming part of a sustainable future for Scottish farming. The Agricultural Holdings Review Group was established to make recommendations to implement this vision, and the Scottish Government is committed to considering these when they are published by January 2015.

EMPOWERING SCOTLAND'S ISLAND COMMUNITIES

Scotland's island groups have particular characteristics and face particular challenges due to geographic remoteness and small populations. Empowering local democracies as happens elsewhere in Europe's Island Areas will allow us to unlock the potential of our islands for the benefit of all of our dispersed communities, and for the country itself.

As part of our commitment to support subsidiarity and local decision making, in June 2014 the Scottish Government published *Empowering Scotland's Island Communities*, a prospectus for Scotland's islands, recommended jointly by Scottish Ministers and Islands Council Leaders. One of the proposals this sets out is to bring forward a Bill for an Islands Act to place a duty on the Scottish Government and other public bodies to "Island proof" their functions and decisions. With a further transfer of powers, for example in relation to Scottish Parliamentary Elections and the Crown Estate, we will be able to deliver more of the aspirations of the islands set out in our prospectus. Therefore, we will formally re-launch the Islands Area Ministerial Working Group to further develop this work whilst consulting on further measures that might be included in an Islands Act.

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- 253.** *Scotland's Land Use Strategy*, first published in 2011, has a vision to fully recognise, understand and value the importance of land resources, and to ensure plans and decisions about land use deliver improved and enduring benefits, enhancing the wellbeing of the nation. The Scottish Government will draft and consult on a revised strategy in 2015, which will explore the wider application of integrated land use delivery mechanisms to help guide future decisions about our land resources.
- 254.** Before the end of 2014, the Scottish Government will review whether current wildlife crime penalties available are a deterrent and/or commensurate with the damage which can be caused to the natural environment. Consideration will also be given to whether the powers for Scottish Society for the Prevention of Cruelty to Animals inspectors should be extended to deal with wider wildlife crime offences than at present.
- 255.** The Scottish Government will continue to monitor the current voluntary deer management system with a view to taking decisions about the effectiveness of Deer Management Groups, in terms of delivering the public interest in deer management and environmental responsibility, after 2016.

Agriculture

- 256.** The vast majority of land in Scotland is under agricultural production and the sector is responsible for much of Scotland's food exports, making agriculture an important sector of the Scottish economy. In rural areas the industry creates many economic, environmental and social benefits, with a large number of people directly employed in agricultural activities.
- 257.** The Scotland Rural Development Programme was a programme of economic, environmental and social measures, worth some £1.2 billion, designed to develop rural Scotland from 2007 to 2013. The Scottish Government will work with the European Commission to ensure the next phase of this programme for 2014 to 2020 will deliver over a further £1.3 billion of public support to rural communities all across Scotland.
- 258.** The Scottish Government will work to finalise implementation details of the EU Common Agricultural Policy. This will include the delivery of support to some 18,650 farmers and crofters through the income support measures. For the Single Farm Payment scheme, worth £450 million, there is a commitment to settle at least 70 per cent of applications by the opening of the payment window (1 December 2014).
- 259.** In addition, around 11,400 active farmers and crofters receive support worth around £65.5 million each year through the Less Favoured Area Support Scheme, a CAP Rural Development measure partly funded by the EU and there is a commitment to start making payments in early March 2015 and pay the majority of applications by the end of that month.

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260. A Scottish Plant Health Strategy will be developed and implemented, setting out measures to safeguard agriculture, horticulture, forestry and the wider environment from pests and diseases. In addition, the Scottish Government will continue to exercise influence to ensure the EU Plant Health regime is strengthened in order to manage the increasing risk of pests and diseases to crops, forestry, gardens and wild plants.

Our Seas and Fishing Industries

261. Scotland is a maritime nation, whose coasts and seas provide food, energy sources (wind, wave and tidal power, minerals and fossil fuels), transport routes and harbours for shipping, tourism and recreational opportunities and sites of cultural and historical interest, as well as distinctive and important habitats and support a diverse range of species. The Scottish Government is committed to managing Scotland's seas to maximise prosperity and environmental sustainability.

262. From 2014 onwards, the Scottish Government will implement the European Maritime and Fisheries Fund (successor to the European Fisheries Fund) to support the fisheries, aquaculture and fish processing sectors, to create and safeguard jobs in remote rural areas, and to develop and sustain markets for Scottish seafood and aquaculture products.

263. Action will be taken to support sustainable fishing. A ban on discards for pelagic fisheries in the North East Atlantic will be implemented under the reformed Common Fisheries Policy, as well as consultation and consequential decisions on the future approach to be taken to management of Scotland's fish quota.

264. A National Marine Plan will be adopted which will set out a comprehensive framework for the sustainable development and use of Scotland's seas. It will support environmental protection and the promotion of existing and emerging marine industries and introduce regional approaches to marine planning.

265. The Scottish Government intends to bring forward a **Harbours Bill** to provide an improved legislative framework for Trust Ports and increase the efficiency and effectiveness of existing procedures and processes for stakeholders.

HARBOURS BILL

The Harbours Bill will make a number of technical changes to the legislation governing harbours. Its main purpose will be to remove Scottish Ministers' ability to compel Trust Ports (over the relevant turnover threshold) to bring forward privatisation proposals. This will remove Trust Ports from classification as Public Bodies by the Office of National Statistics, and will also remove uncertainty for those ports about their future status. It is intended to signal the Scottish Government's support for the Trust Port model as part of the diverse range of ports ownership structures in Scotland.

Subject to the outcome of the current consultation on the content of the Bill, the opportunity will also be taken to make some other minor amendments to the 1964 Harbours Act.

266. During 2014, the Scottish Government commissioned an independent review of the management of Scotland's wild fisheries to consider from first principles the challenges and opportunities they face and the management system and funding required to meet those challenges and deliver those opportunities. The independent review reported in October 2014 and the Scottish Government will now consider its conclusions and recommendations. We will consult in Spring 2015 on broad policy options for a new fisheries management system, followed by a public consultation on a draft Wild Fisheries Bill before the end of the parliamentary session.

CULTURE, CREATIVITY AND SPORT

267. The Scottish Government will continue to support and promote investment and activity in culture in order to enable more people to experience more art, culture and heritage, with a particular focus on young people. We will ensure that our national museums and galleries remain free to visit and that our national performing companies deliver performances and educational activity across the country. Our global cultural connections continue to grow and develop and we will continue to work with our partners abroad and at home to support international work. We believe in the power, beauty and challenge of art and culture to stimulate, reflect and change how we look at ourselves and others and will continue to champion art for its own sake, as well as for the role it plays in improving the quality of life and well-being of people and communities across Scotland. Scotland's rich heritage tells the story of our nation and we will continue to work with the wealth of talent and experience across the sector to share and learn from our stories, as well as inviting visitors from across the world to experience it, contributing to the success of our tourism sector.

268. In the past year, the Scottish Government has delivered a number of other achievements in this area, including:

- The new transmission arrangements for ITV's Borders franchise, which the Scottish Government had pressed for as part of the renewal of Channel 3 licences, were implemented in November 2013 and ensured separate transmission to the south of Scotland to allow relevant news and current affairs programming to be seen there.
- Launched in March 2014 the *Historic Environment Strategy for Scotland*, meaning that for the first time in Scotland there is an overarching Strategy for the whole of our historic environment.

269. The Scottish Government sponsors Creative Scotland, providing over £33 million in 2014-15, in turn enabling them to fund and support a broad range of individuals and organisations across the cultural sector and helping to build capacity as well as deliver high quality work. Creative Scotland has announced three-year regular funding of £100 million and has now opened project funding applications. In addition, £23.5 million will be provided in 2014-15 to fund the national performing companies, enabling them to continue to produce high quality work which is enjoyed by audiences at home and abroad.

270. The Scottish Government is committed to working with Creative Scotland and Scottish Enterprise, as well as a range of other bodies, to increase the support available to the screen sector to create the conditions in which it is able to further develop and achieve long term success. A number of options are currently being considered. We are working with the film industry on infrastructure, development and production streams of support.

- 271.** Following significant lobbying by the Scottish Government, a system of tax relief for video games has been established, receiving EU state aid approval in time for implementation from 1 April 2014. The importance of this sector can be demonstrated by the recent success of Edinburgh-based Rockstar North, whose release of *Grand Theft Auto V* in September 2013 became the fastest-selling entertainment product in history, earning US \$1 billion in its first three days.
- 272.** We will continue to support initiatives taking forward Scotland's first National Youth Arts Strategy, *Time to Shine*, launched in November 2013. The strategy sets out a vision and key recommendations to enable Scotland's children and young people to flourish and achieve, in and through the arts and creativity, centred around the themes of participation, progression and provision. The strategy is being supported by an additional £1 million of public and private funding for the national youth arts companies to deepen youth arts participation in the run up to Scotland's Year of the Young People in 2018.
- 273.** The Scottish Government will continue to support the wide range of cultural festivals which take place in Scotland. For example, since 2008, Edinburgh Festival Expo Fund has funded new work at the 12 Edinburgh Festivals, showcasing and raising the profile of Scotland's creative talents to an international audience. This year the fund is valued at £2.25 million.
- 274.** As well as delivering a successful Commonwealth Games, the Scottish Government is committed to ensuring that they result in an enduring legacy for the people of Scotland. One important element of this is to ensure that children and young people have opportunities to take part and develop in sport and is why we are continuing to develop and grow the Active Schools programme. sportscotland will provide all schools with the chance to benefit from £12 million annual investment which provides pupils with opportunities before and after school, and at lunchtime. This investment will contribute to the delivery of the sport strategy for children and young people by widening opportunities and improving the quality of sport for young people.
- 275.** Working closely with local authorities we have achieved 96 per cent of schools who now provide pupils with 2 hours or two periods of physical education every week. We will build on this recognising the positive impact PE can have on pupils health, educational attainment and life chances providing the core skills necessary to lead an active life.
- 276.** Building on this approach, *Giving Children and Young People a Sporting Chance*, Scotland's sport strategy for children was published on 17 June 2014. The Strategy sets a vision of Scotland being a great environment for children and young people to embark on lifelong participation in sport. It highlights four key principles namely, the importance of hearing views of children and young people; the need for collaboration in delivery of sport; a focus on reaching children and young people who are disengaged, and on using sport to make a difference to the lives of children and young people; and that sport for children and young people must be fun.

2014 EVENTS AND THEIR LEGACY

This year has seen Scotland successfully deliver a range of world class events, and the Scottish Government has played a key role in their delivery. These events engaged both the whole country and the wider world. There were many immediate benefits, but we must ensure that we build on the legacy of these events.

Commonwealth Games

In July 2014 Glasgow hosted the XXth Commonwealth Games. After 11 days of events across 17 sports, Team Scotland finished with a record haul of 19 gold and a best-ever tally of 53 medals, and the Games were welcomed as the “*standout Games in the history of the movement*” by Commonwealth Games Federation chief executive Mike Hooper. This was the culmination of intense preparation and effort by the Scottish Government and its partners to ensure the 4,818 athletes from 71 nations and territories could compete in the largest multi-sport and cultural event to be held in Scotland in a generation. 1.3 million tickets were sold for the Games which was delivered £25 million under budget. Scotland welcomed 600,000 unique visitors to the Games and cultural events with 93 per cent of these rating Scotland as a ‘very good’ place to visit and 86 per cent of spectators at ticketed events likely or very likely to recommend attendance at future events in Glasgow and Scotland. This track record has enabled Scotland to secure a number of future high profile sporting events. These include the World Gymnastics and the World Orienteering Championships as well as the European Judo and the World IPC Swimming championship all in 2015.

There were broader legacy successes from the Games, in addition to the physical transformation of the East End of Glasgow and new and improved venues. 68 per cent of Games contracts (worth approximately £290 million) were secured by firms based in Scotland. Thirty seven additional high profile national and international events were secured, with an estimated economic impact of £14 million. Over 600 students gained broadcaster and technology skills through the Legacy 2014 Host Broadcaster Initiative. More than 250,000 children in Scotland benefitted from the Games On Scotland Programme, the official education programme for Glasgow 2014. There are many more examples of legacy benefits spread across the whole of Scotland and internationally through the work of UNICEF, one of the Games charity partners.

The Ryder Cup

In September 2014, for the first time in more than 40 years and only the second time in history, one of the world’s greatest sporting contests, The Ryder Cup, took place on the PGA Centenary Course at The Gleneagles Hotel in Scotland.

Hosting The 2014 Ryder Cup provided great economic benefit to Scotland both locally and nationally, and a full independent evaluation will be carried out by Sheffield Hallam University once the event has taken place. Golf is a key tourism market for Scotland and The 2014 Ryder Cup will act as a further catalyst for inbound golf tourism growth.

It is important that everyone in Scotland sees the benefit in golf which is why we are continuing to grow the ClubGolf programme which is our junior golf initiative that gives all children in Scotland an introduction to golf by the time they reach 9 years of age. Since 2003, the Scottish Government has annually committed £500,000 to ClubGolf with nearly 300,000 schoolchildren having been introduced to golf through ClubGolf to date. ClubGolf itself is already a major legacy benefit of the Ryder Cup.

- 277.** In 2015-16 £68 million of Scottish Government funding and around £29 million of National Lottery funding will be invested to deliver a world class sporting system in Scotland. The majority of this funding is routed through **sportscotland**, the national body responsible for developing sport in Scotland. This investment is delivering sustained improvements in a wide range of sports and this will be further enhanced through the investment of £25 million in a National Performance Centre for sport located in Riccarton in Edinburgh in 2016, creating an inspiring centre of excellence where the best athletes in Scotland can come together and train, and where we can foster improvement in the performance of Scottish athletes and their coaches over the next decade and beyond.
- 278.** £6m is also being provided to deliver a fully integrated National Para-Sports Centre in Inverclyde that will nurture and hone sporting talent in Scotland. This recognises the importance of equality of opportunity in participation in sport and physical activity, and the fantastic success of Scotland's para-athletes in the Games. One of the Scottish Government's key legacy commitments is to have a healthier, more active population, supporting the move to a preventative approach to health outcomes in Scotland.
- 279.** A 10 year Physical Activity Implementation Plan *A More Active Scotland - Building a Legacy from the Commonwealth Games* was launched in February 2014 to help achieve lasting change. The Scottish Government also launched the National Walking Strategy *Let's Get Scotland Walking* in June 2014. It is a key element in delivering our plan to ensure all of Scotland benefits from an active Games legacy and to make Scotland a world leader as a walking friendly country. For most people walking is the easiest and most cost-effective way of fitting physical activity into their everyday lives and can contribute positively to many areas such as planning, regeneration, economic development, mental and physical health and wellbeing, transport, climate change and education.
- 280.** The Scottish Government also launched the National Walking Strategy *Let's Get Scotland Walking* in June 2014. It is a key element in delivering our plan to ensure all of Scotland benefits from an active Games legacy and to make Scotland a world leader as a walking-friendly country. For most people walking is the easiest and most cost-effective way of fitting physical activity into their everyday lives and can contribute positively to many areas such as planning, regeneration, economic development, mental and physical health and wellbeing, transport, climate change and education.

Scottish History and Heritage

281. The Historic Environment Scotland Bill was passed in November 2014 and creates a new lead body for Scotland with responsibility for investigating, recording, caring for, protecting and celebrating our historic environment. The new body, Historic Environment Scotland, will be established in April 2015, taking up its full powers in October. Among its key functions will be to continue to encourage and enable community involvement in our heritage, and to promote heritage tourism which brings benefits to our economy nationally and to communities across Scotland.

282. The Scottish Government will continue to progress the work set out in the Museums Strategy, through Capital investment in the cultural infrastructure. This will be delivered by the Museum Development Body to ensure that culture and heritage are positive forces for renewal, regeneration, quality of life and international engagement. As part of this programme, funding of at least £15 million will be provided to support the new V&A Museum in Dundee.

283. The Scottish Government, advised by a specially appointed Scottish Commemorations Panel, is undertaking a programme of activity to commemorate the centenary of World War 1. The programme recognises the broad impact of war on Scotland and its people, and encompasses local, national and international activity. It commenced with a Drumhead Service in Edinburgh in August 2014 and will continue until January 2019 when the loss of the HMS *Iolair* will be commemorated. The format for national commemorations and the focus which underpins the programme is guided by the Panel's strapline: 'What do **W**e learn from all th**1**s?'

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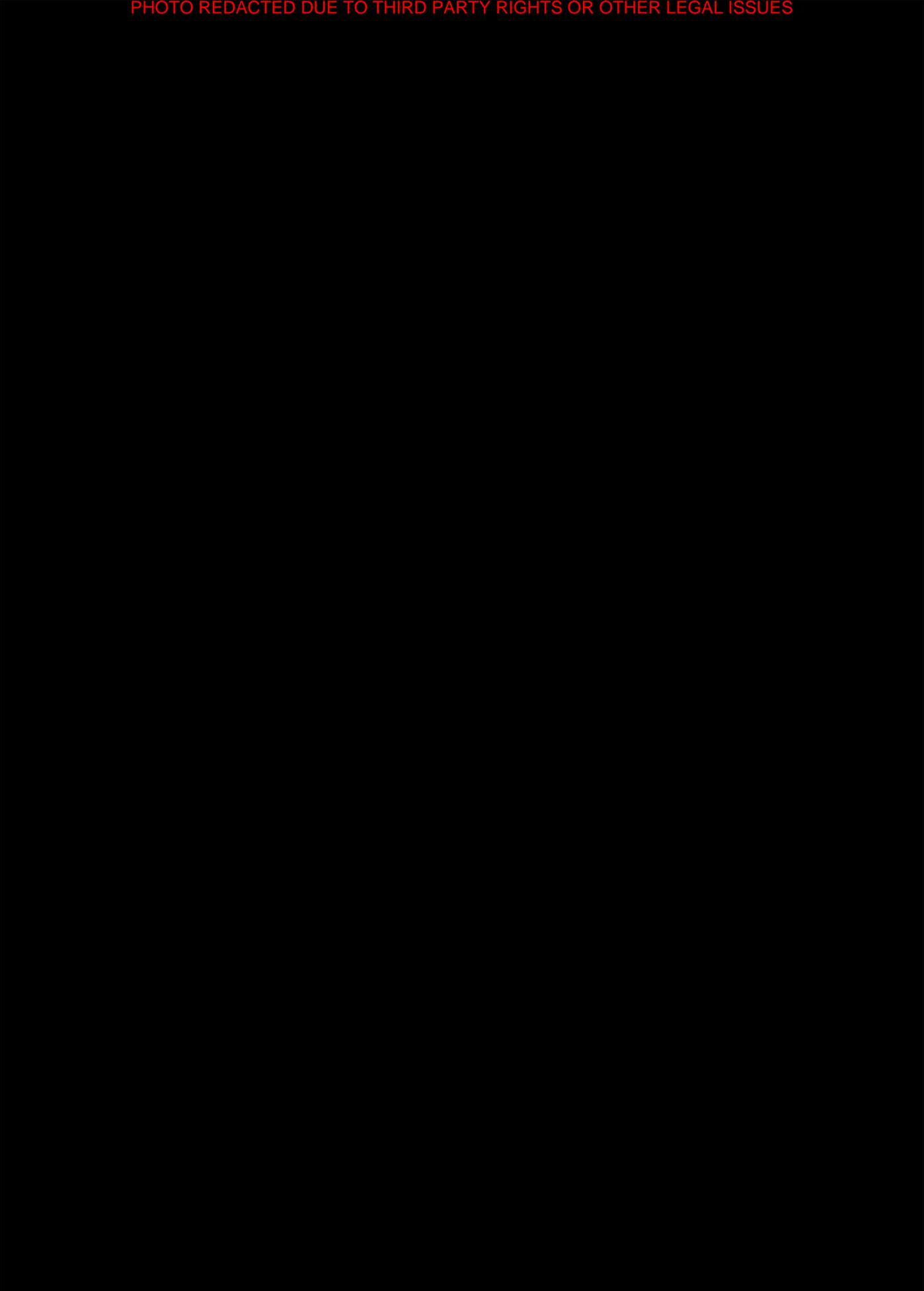
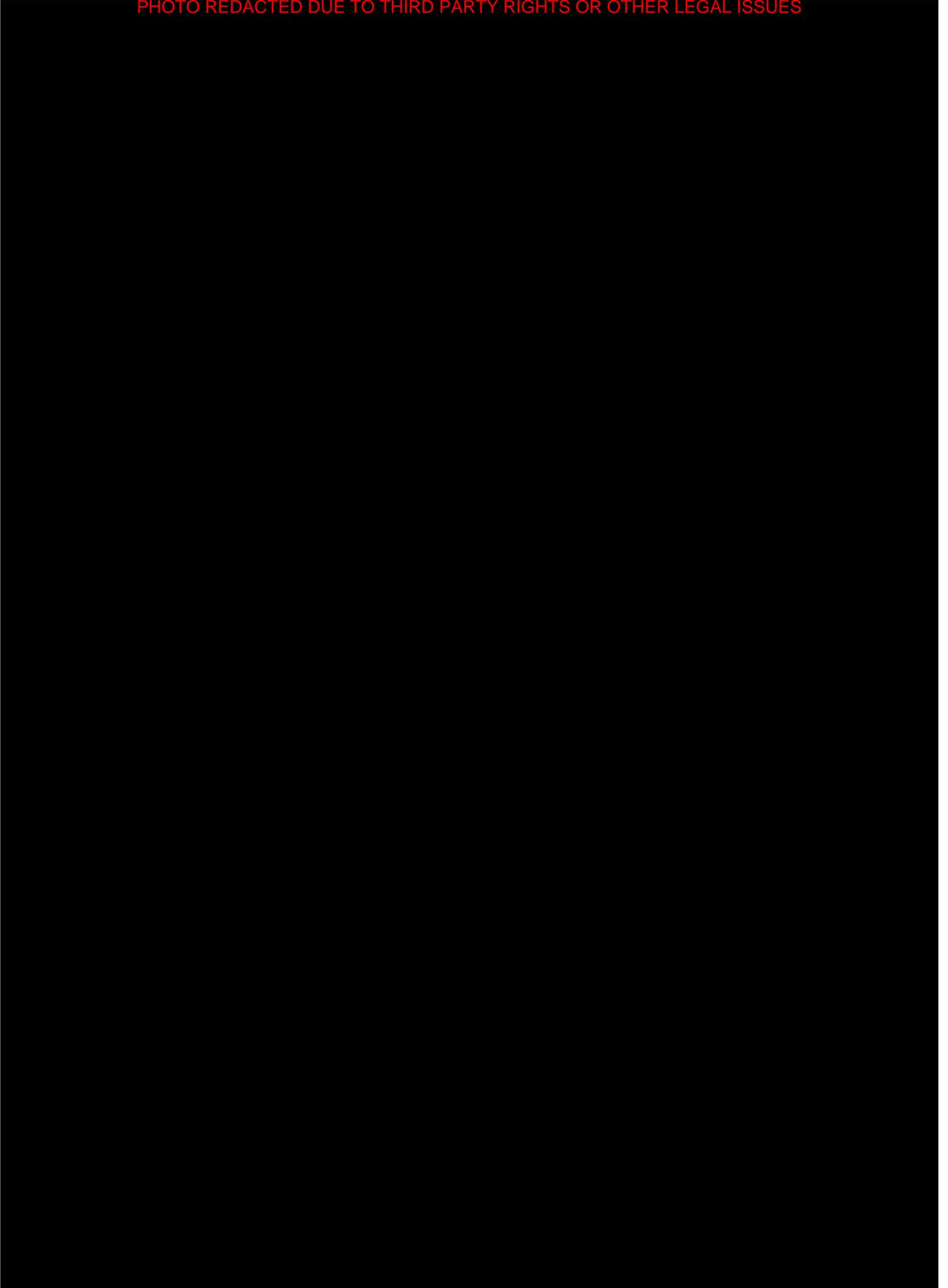


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CHAPTER 6

SUMMARY OF LEGISLATIVE PROGRAMME

Summary of the Year 4 (2014-15) legislative programme

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.

Education Bill

The Education Bill will further progress the Scottish Government's support for Gaelic education and its commitment to recognising, respecting and promoting children's and parental rights.

Higher Education Governance Bill

The Higher Education Governance Bill will implement a number of the key recommendations of the Review of Higher Education Governance in Scotland, which was led by Professor Ferdinand von Prondzynski. The Bill will ensure that the principles of democracy, transparency and democratic accountability are further embedded in the governance of all higher education institutions in Scotland, now and for the future.

Carers Bill

The Carers Bill is an important part of the Scottish Government's wider programme of Health and Social Care reform. The Bill will extend the rights of carers, including young carers. The Bill 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.

Public Health Bill

The Public Health Bill will include measures to reduce the attractiveness and availability of non-medicinal e-cigarettes and tobacco. It will also ensure that the courts can deal with those extreme cases where people in care settings have suffered the worst cases of neglect and ill-treatment, and it will introduce a statutory organisational duty of candour for providers of health and social care.

Human Trafficking and Exploitation Bill

The Human Trafficking and Exploitation Bill will provide police and prosecutors with clear powers to detect and prosecute those responsible for the trafficking of human beings and will ensure that relevant agencies work together and provide clear rights for victims to access support.

Fatal Accident Inquiries Bill

The Fatal Accident Inquiries (FAI) Bill will provide the legislative framework needed to implement the remaining recommendations of Lord Cullen's Review of the operation of the Fatal Accident and Sudden Deaths Inquiries (Scotland) Act 1976 to help modernise the way FAIs are handled in Scotland. The Bill will repeal the current Fatal Accidents and Sudden Deaths Inquiries (Scotland) Act 1976 and enact new legislation to govern the system of FAIs in Scotland to ensure that it keeps pace with other reforms to the justice system.

Community Justice Bill

The Community Justice Bill will provide the legal framework for implementing changes to community justice structures. The changes will ensure that community justice is given the profile and priority that is required to reduce reoffending across Scotland. The redesign of community justice forms part of the Scottish Government's response to the report of the Commission on Women Offenders (2012) and the Audit Scotland report on Reducing Reoffending (November 2012).

Land Reform Bill

As part of our ongoing commitment to Land Reform and as part of our response to the Land Reform Review Group's final report, we committed to bring forward a Land Reform Bill within this parliamentary term. The Land Reform Bill will take forward a range of legislative proposals designed to ensure Scotland's land works to the benefit of the people of Scotland, by contributing to both the prosperity and sustainable development of the nation.

Succession Bill

The Succession Bill will implement a number of the recommendations contained in the Scottish Law Commission (SLC) Report on Succession which will make the law in this area fairer, clearer and more consistent. In recognition of its technical nature, it is intended, subject to it meeting the necessary criteria, that the Bill will be progressed under the Scottish Parliament's new procedure for implementing SLC reports.

We also plan to consult in the coming year on further legislation on Succession which will aim to radically overhaul the current law in this area. As part of this modernisation the distinction between movable and immovable property would be removed to give children, spouses and civil partners appropriate legal rights over both forms of property. This should ensure a just distribution of assets among a deceased's close family to reflect both societal change and expectations. These changes will be an important aspect of our series of measures in respect of Land Reform.

Harbours Bill

The Harbours Bill will provide an improved legislative framework for Trust Ports and increase the efficiency and effectiveness of existing procedures and processes for stakeholders, and will in particular remove Scottish Ministers' power to compel Trust Ports to bring forward privatisation proposals.

Community Charge Debt Bill

The Scottish Government will introduce legislation to end collection of historic community charge or Poll Tax debts. It will ensure, following recent high levels of democratic engagement in Scotland, that the electoral registers are not used to pursue historic arrears of community charge, as well as ending ongoing repayment arrangements.

OTHER LEGISLATION BEING TAKEN FORWARD BY THE SCOTTISH GOVERNMENT

As well as the new programme of Year Bills set out above, a number of previously announced Bills will continue their parliamentary passage. These Bills are:

- Criminal Justice Bill – makes provision to take forward the next stage of essential reforms to the Scottish criminal justice system to enhance efficiency and bring the appropriate balance to the justice system.
- Legal Writings (Counterparts and Delivery) Bill – makes provision to promote business and economic growth and modernise Scots law, consistent with the Scottish Government's National Outcome that "We live in a Scotland that is the most attractive place for doing business in Europe".
- Community Empowerment Bill – makes provision to provide a strategic framework which will empower community bodies through the ownership of land and buildings and strengthen their voices in the decisions that matter to them.
- Welfare Funds Bill – makes provision to set out in statute Ministers' intentions for this new discretionary Fund to provide vulnerable members of the community with a safety net in an emergency, and with help to get household goods to set up home or to enable them to remain living in their community.
- Mental Health Bill – makes provision to streamline, simplify and clarify the system for efficient and effective treatment of people with a mental disorder.
- Food Bill – makes provision to set up Scotland's own food safety and standards body, Food Standards Scotland.
- Air Weapons and Licensing Bill – makes provision for the licensing and regulation of air weapons, and makes provision to improve aspects of locally-led alcohol and civic government licensing in order to preserve public order and safety, reduce crime and to advance public health.
- Prisoners (Control of Release) Bill – will end automatic early release for certain categories of prisoner and it will introduce new flexibility for the Scottish Ministers to bring forward a prisoner's release date by up to two days for the purpose of effective reintegration of a prisoner into the community.

In addition, a number of Bills completed their parliamentary passage in the period since the 2013 Programme for Government was announced and are now being implemented:

- Procurement Reform (Scotland) Act 2014 – establishes a national legislative framework for sustainable public procurement, and will ensure the maximum economic benefit is brought to Scotland through efficient and effective public procurement activity.
- Courts Reform (Scotland) Act 2015 – makes provision to take forward many of the recommendations from Lord Gill's Scottish Civil Courts Review to ensure cases are dealt with promptly and efficiently, by courts appropriate to the case, and at a proportionate cost to parties.
- Bankruptcy and Debt Advice (Scotland) Act 2014 – will ensure Scotland has a modern system of debt advice and debt management which balances the rights of those in debt with the needs of creditors and business.
- Regulatory Reform (Scotland) Act 2014 – will improve the way regulation is developed and applied in Scotland, help create a level playing field for business and will provide a more simplified, risk-based approach to environmental protection.

- Public Bodies (Joint Working) (Scotland) Act 2014 - sets the legislative framework for integrating adult health and social care, with a view to ensuring a consistent provision of quality, sustainable care services for the increasing numbers of people in Scotland who need joined up, integrated support and care - particularly those living into older age and people with multiple, complex, long-term conditions.
- Landfill Tax Act 2014 - will replace the UK Landfill Tax with a more flexible system, bringing together environmental and tax compliance, and will enhance provision for those communities affected by their proximity to a landfill site through the Communities Fund.
- Children and Young People (Scotland) Act 2014 - provides new powers to increase the amount and flexibility of early learning and childcare, providing greater parental choice and removing some of the barriers that parents, especially women, face in returning to employment.
- Marriage and Civil Partnership (Scotland) Act - ensures that same sex couples have the same rights to marriage as opposite sex couples, whilst protecting religious bodies and celebrants who do not wish to take part in same sex marriage.
- Victims and Witnesses (Scotland) Act 2014 - places the interests of victims and witnesses at the heart of reforms to the justice system, and ensures that offenders contribute financially towards the costs of providing support to victims.
- Tribunals (Scotland) Act 2014 - establishes a new, simplified statutory framework for the tribunal system in Scotland.
- Revenue Scotland and Tax Powers Act 2014 - establishes Revenue Scotland on a statutory basis, and provides it with powers which will enable it to take robust action to counteract artificial tax avoidance arrangements.
- Housing (Scotland) Act 2014 - will safeguard tenants' interests, support improvements to housing quality, and secure better outcomes for communities by ending all right to buy entitlements which will protect the existing stock of social rented homes and help the many people in need of social housing.



**The Scottish
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Riaghaltas na h-Alba

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